NEWCASTLE MUNICIPALITY

FINAL BUDGET

"TAKING NEWCASTLE TO THE NEXT LEVEL"

2013/14 TO 2015/16

EXTRACT FROM THE MINUTES OF THE MEETING OF THE NEWCASTLE MUNICIPAL COUNCIL, HELD IN THE CONFERENCE ROOM, SHOW HALL, HARDWICK STREET, NEWCASTLE ON WEDNESDAY, 2013-05-29 AT 14:00

PRESENT

Councillor	M F	Zikhali	: Speaker
Councillor	V V	Bam	
Councillor	M M	Bhekiswayo	
Councillor	M V	Buhali	
Councillor	D R F	Buthelezi	
Councillor	S S E	Buthelezi	
Councillor	E J C	Cronje	
Councillor	C L	Dube	
Councillor	T J	de Jager	
Councillor	F P	Gama	
Councillor	T Z	Hadebe	
Councillor	T S	Hlabisa	
Councillor	M M E	Hlatshwayo	
Councillor	S B	Hlatshwayo	
Councillor	I	Keeka	
Councillor	L G	Khoza	
Councillor	C B	Kubheka	
Councillor	S	Kubheka	
Councillor	N P	Kunene	
Councillor	S B M	Lukhele	
Councillor	H S	Madonsela	
Councillor	H T	Malindi	
Councillor	N S	Matthews	
Councillor	J S	Mbatha	
Councillor	Z J	Mbatha	
Councillor	R N	Mdluli	
Councillor	M N	Mbokazi	
Councillor	M O	Mdhlalose	
Councillor	H N	Mkhwanazi	
Councillor	M G	Mlangeni	
Councillor	M S	Mlangeni	
Councillor	G A	Mncube	
Councillor	N A	Msibi	
Councillor	T M	Mzoneli	
Councillor	R B	Ndima	
Councillor	S G	Ndlovu	
Councillor	M E	Ngcobo	
Councillor	N J	Ngobese	
Councillor	C L	Nhlapho	
Councillor	D J Z	Nkosi	
Councillor	N T	Ntshangase	
Councillor	E M	Nyembe	
Councillor	T M	Nzuze	
Councillor	A F	Rehman	
Councillor	D O	Shabalala	
Councillor	D M	Sibilwane	
Councillor	S M	Thwala	
Councillor	D E	Tshabalala	
Councillor Dr	J A	Vorster	
Councillor	M F	Zikhali	

Councillor	T M	Zulu
Councillor	M E	Zwane
Councillor	N A	Zwane

ABSENT WITH APOLOGY

Councillor	J M E	Damons	:	personal circumstances
Councillor	D X	Dube	:	personal circumstances
Councillor	A M M	Mashinini	:	ill
Councillor	C N	Mkhize	:	personal circumstances
Councillor	B S	Ntombela	:	ill
Councillor	E M	Zungu	:	personal circumstances
Councillor	S J	Zulu	:	out of town

ABSENT WITHOUT APOLOGY

Councillor J K Gabuza

CM18 : ANNUAL MEDIUM TERM OPERATING AND CAPITAL BUDGETS : 2012/2013 : (BTO 6/1/1 - 2012/2013)

RESOLVED

(a) That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2013/14; and indicative allocations for the two projected outer years 2014/15 and 2015/16; and the multi-year and single year capital appropriations be approved;

(b) that the revenue source that will be utilised to fund both operating and capital budgets be noted and approved;

(c) that the Municipality's portion of the uThukela Water (Pty) Ltd. operating budget of R120,000,000 be approved for 2013/2014 financial year and two outer years (2014/15 : R126 000 000), (2015/16 : R132 300 000);

(d) that in terms of section 24(2)(c)(i) of the Municipal Finance Management Act, 56 of 2003, and sections 74 and 75A of the Local Government Municipal Systems Act, 32 of 2000 as amended, the tariffs for the supply water, electricity, waste services, sanitation services and property rates as set out Annexure F that were used to prepare the estimates of revenue by source, be approved with effect from 1 July 2013 for all services except for water and electricity consumption, which will be levied on the new tariff with effect from 1 August 2013;

(e) that the Tariff of Charges be approved;

(f) that it be noted that Rates, Water, Refuse and Sanitations tariffs will be increased by 7% and other tariffs be increase up to a maximum of 10%;

(g) that the new advertising bylaws and its revised tariff structure as contained in the Tariff of Charges be noted and approved;

(h) that it be noted that the electricity tariffs will be increased by 7% and that the Inclining Block Tariff (IBT) will be applied;

(i) that in terms of the Indigent Policy, the monthly household earnings of an indigent application be capped at R3,000;

(j) that the Customer Care, Credit Control and Debt Collection Policy be noted and approved;

(k) that the Supply Chain management Policy be noted and approved;

(l) that the Rates Policy be noted and approved;

(m) that the Tariff Policy be noted and approved;

(n) that the Debt Write-off Policy be noted and approved;

(o) that the Policy be noted and approved;

(p) that the Cash Management and Investment Policy be noted and approved;

(q) that the Budget Policy be noted and approved;

(r) that the Virement Policy be noted and approved;

(s) that the Fixed Assets Management Policy be noted and approved;

(t) that the Funding and Reserve Policy be noted and approved;

(u) that the Borrowing Policy be noted and approved;

(v) that the Petty Cash Policy be noted and approved;

(w) that consideration be given to the proposed addition of R1,5 million to the Local Economic Development operating budget to possibly subsidise the cost of airfares of airlines for a period of 6 months, however, consideration must be given to the impact and/or benefits to ratepayers and a further report to the Executive Committee be submitted;

(x) that R1,2 million be added to the capital budget to accommodate the provision of water supply to the Airport;

(y) that R1,8 million be added to the capital budget to accommodate street lighting on P483 on the road to Osizweni.

I, the undersigned, **KEBONE MASANGE**, in my capacity as **MUNICIPAL MANAGER** to the Newcastle Municipal Council, hereby certify the above as a true extract from the minutes of the meeting held on 29 May 2013.

K. MASANGE
MUNICIPAL MANAGER

Newcastle

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PART 1 – ANNUAL BUDGET

1. MAYOR'S REPORT

Honourable Speaker Cllr Zikhali
Her Worship the Mayor of Amajuba District Cllr JCN Khumalo
Her Worship the Mayor of Dannhauser Cllr J Phakathi
His Worship the Mayor of Emadlangeni Cllr J Zikhali
Chairperson of ANC Emalahleni Region Cde Arthur Zwane
Secretary of ANC Emalahleni Region Cde Ntokozo Mhlungu
Deputy Mayor Cllr Rachael Mdluli
Members of the Executive Committee
Councillors
Municipal Manager Mr Kebone Masange and all officials present
Members of the media
Distinguished guests, and those of you listening on Newcastle Community
Radio
Zaheera Khan and the Grade 8 -12 learners from Newcastle Islamic School
Ladies and gentlemen
Good evening.

Somlomo, let me thank you and this august house for the opportunity to
Present the 2013/2014 Draft operational and capital budget to you, as well as a summary of the state of our municipality. President Jacob Zuma, in his State of the Nation Address in February this year stated: "On the 15th of August last year, the National Planning Commission handed over the National Development Plan, the vision of the country for the next 20 years, to the President in this august house. The NDP contains proposals for tackling the problems of poverty, inequality and unemployment. It is a roadmap to a South Africa where all will have water, electricity, sanitation, jobs, housing, public transport, adequate nutrition, education, social protection, quality healthcare, recreation and a clean environment." the Honourable President further said: "The National Development Plan provides a perfect vehicle for united action precisely because it has the

Support of South Africans across the political and cultural spectrum. Leaders in every avenue should be ready to rise above sectional interests and with great maturity, pull together to take this country forward." Hon. Speaker, Newcastle will be amiss if we do not align ourselves, our IDP, and indeed our vision for a more vibrant Newcastle, with this progressive plan.

The 2013/2014 draft budget will seek to address this vision, whilst continuing our quest for equality in service delivery between the east and west of this beautiful city. We do not reduce our vigour, in our quest to maintain and upgrade our suburbs, sibe sishintsha amalokishi ethu afana noMadadeni, Osizweni, Blaaubosch, Mndozo, Drycut, Bosworth, Charlestown, Normandien and all these surrounding areas one step closer to looking like Arbour Park, Aviary Hill, Lennoxton and Paradise. This is a vision we set out to achieve in 2009, and it is a vision that continues to drive the way we budget. This address will seek to outline this plan and highlight some of the key points of our budget. At the very outset, I want to take this opportunity to explain to the people of Newcastle the entire budget process from beginning to end.

Councillors will recall that in 2009 we have begun a very difficult and painful process of budget reformation. We inherited a municipality with an unrealistic disparity between its operational budget (the cost of the day to day running of the Municipality) versus its capital budget (cost of building new infrastructure and new assets). Simply put this meant that the Municipality was surviving on a day to day basis without making any change in improving the quality of lives of the people of our townships. What was more scary was that it was stretching its infrastructure in the suburbs very thin, thus placing service delivery in extreme danger. The fact that we see fire engines, grass cutting tractors, refuse compact trucks still on the road after 30 years or more was testament to this fact. We sought to reform this budget by doing the only thing that any wise businessman would do. We turned our strategy sessions into in depth budget analysis sessions. We zoomed into all Municipal Departments and budget votes, cutting costs where necessary, discussing innovative and cheaper ways of doing business thus ensuring we were able to funnel more money towards our capital programs. we built more roads , repaired more storm water, maintained more infrastructure, purchased more tractors, fire engines and refuse compact trucks, provided electricity, water and other basic services to more areas that ever before.

Year on year we have increased our capital programs by over 5 times than 2008 and we have managed to sustain this for the last three financial years. We did this without exorbitantly increasing taxes, maintaining electricity increases way below Eskom, and without taking a cent of loans. While

we received criticism for going on these strategy sessions, I appeal to the community to give us this space to continue this budget reformation process and I am certain that we will see more improvements in our financial sustainability and budget planning processes. This financial year for example our equitable share from National Treasury has been reduced by R15 million despite the fact that we still manage to fully fund our budget and plan for a smaller deficit than last year without reducing the quality of service delivery. Let me highlight some of our major priorities.

ROADS AND STORMWATER

We continue to identify, as a municipality, and prioritize the tarring of roads in and around our city. With a record breaking 114 million rands being spent on new roads and upgrading of old roads this financial year! In the west, we budget 10 million rand on phase two of the widening of Allen street from the new bridge that will be completed by July this year up to the intersection of Allen and Hardwick street. We continue with phase two of the aqua rand link road that will see the creation of a new road from Fairleigh to the new shopping mall.

We will complete the intersection of Kirkland and Hardwick street at a further cost of 2 million rand. Ayliff street will be rehabilitated for 900 thousand rand, Bridger street for 770 thousand rand and the section of Murchison street alongside St Dominic school will be widened and rehabilitated at a cost of 1,5 million rand. Hillbrow street extension leading to the Sathya Sai school and the new planned housing development at Siyahlalala will be tarred for 1,8 million rands. An encouraging 13 million rands will be spent on the resealing of tarred roads within the suburbs. We continue with the Panorama storm water upgrade to the tune of 1 million rand. A request made to us by NN Business unity, through the Chinese Chamber will see 800 thousand rand to upgrade storm water in Albert Wessels drive. An amount of 320 thousand rand will see a traffic light at the intersection of Boundary and Link roads. In the east, 22 million rands will see phase two of the widening of Asiphephe road up to Marconi road. After last years focus on Osizweni roads we prioritize Madadeni roads for this year. Over 22 million rands will be spent on new roads within the Madadeni township and 10 million rands within this financial year will be used to complete roads within the Osizweni township. Johnston roads as well as some areas in Blaauwbosch will be completed. Over and above is a personal promise to the people of kwa Mathukuza will see the main road within that area tarred to the cost of 7 million rands. A further 1 million rand will be spent to create a slip way of Madadeni road in the vicinity of the SAB beer wholesalers. Whilst we are building roads in these areas we continue to maintain the other tarred roads by budgeting for resealing to the amount of 9 million rands in Madadeni and Osizweni.

ELECTRICITY

Somlomo, we take this opportunity to congratulate the ANC led Dannhauser Municipality on achieving the enviable status of being the first town in South Africa to have 100 percent access to electricity. Whilst I congratulate you, you must believe that Newcastle is nothing if not competitive. We aim to create a world class city and I am proud to say that the 7,3 million rand we budgeted in the 2013/2014 financial year (to electrify) wokufaka ugesi endaweni yase Ngogo, Dickshalt, nase Normandien, Amajuba forest in Ingogo and complete phase two of Bosworth will also see Newcastle achieve this coveted status by June next year. This means that every area in Newcastle will be electrified and inselelo yethu kuzoba ukufakela ugesi kuleyomizi eyasala kudala phakathi kwemizi ezindaweni zasemakhaya (our only challenge will be the infills hampering us in our rural areas). 3 million rand will be spent on high mast lighting to brighten up areas that continue to be ravished by crime. 19 million rand will be spent on upgrading our electricity network in the west. A further 5 million rand has been budgeted for providing electricity to the Siyahlalala area in anticipation of this much awaited housing project. 600 thousand rand will be budgeted for another phase of festival lighting and Christmas decorations in and around Newcastle, Madadeni and Osizweni in the hope of bringing more festive cheer to the lives of our residents.

Somlomo, we have heard the cries of our residents for a prepaid electrical meter system. Notwithstanding the debacle on this issue we will be calling for proposals within the next few weeks for the installation of a pilot project of smart meters for the Ncandu park and some areas of Fernwood residents.

WATER AND SEWER

Somlomo, we are one of those cities who have a 93 percent access to potable water for our residents. We budget a further 11 million rands to provide basic water services in Normandien, Ingogo and Charlestown (sifuna ukufaka amanzi kulezi ndawo). We also place a further 1,5 million rand for JoJo tanks, standpipes and boreholes in rural areas. 6 million rand more will see more VIP toilets built in wards 6,7,12,15,16 and 18 amongst other wards, to provide for this basic service. We see this basic service moving to the next level when we move to phase four of the Stafford water borne sewerage scheme at a cost of 8 million rand which will finally see the connections being completed. A project close to the heart of the Speaker. Osizweni e and f sewerage scheme will move to phase 3 at a cost of 4,5 million rand.

Kilbarchan and Madadeni waste water treatment plants will receive upgrades of more than 20 million rands. Pumping mains from Hilldrop reservoir and gravity mains to the Siyahlalala area will get 13 million rand activating the usage of our 2 newly built reservoirs in Newcastle west. Siyahlalala and Madadeni H39 will receive just under 10 million rands for bulk sewer systems also in preparation of approved housing projects in those areas.

Somlomo, we continue to implement the decision taken by the 7th
Regional Conference of the ANC in the Emahalaneni Region to close down Uthukela water. The first of July 2013 will see Newcastle Municipality reclaiming our water reticulation system and the transfer of certain staff members. Bulk water will continue to be provided by the entity until a further decision in this regard is taken. We will investigate the refurbishment of this reticulation system within the operational costs that we were paying to the entity. We celebrate the fact that we have a 97% blue drop status putting us second in the province, and a green drop status for sanitation that places us third in KwaZulu Natal. We hope to sustain these illustrious service delivery awards.

PARKS, FIRE, WASTE AND TRAFFIC

We have embarked on a very exciting revamp of some of our parks, with the Crawford street park and Madadeni park chosen as pilot projects. New age children's park equipment as well as outdoor fitness equipment, picnic areas, outdoor table tennis as well as beach volleyball will be key features in these aptly named Eco parks. Our intention is to roll out similar parks throughout the west and east, with new play equipment. In the west we have plans to upgrade three more parks, 2 of which will be the Amanath shopping centre park and the park near Hope High school. A third park will still be identified. We will also be creating a new park in our rural Johnston Blaauwbosch Cavan area and another park in Charlestown. We have also completed the tender process for a new contractor at Phelindaba for the Olympic sized swimming pool identified there. Sport will get a boost with two more futsal AstroTurf soccer fields, one in Madadeni and one in Osizweni. These courts are so well received and it is a real joy to see our youth using these facilities at all hours of the day.

Ingagane sports field will receive R100 000 for the upgrade of the tennis court in our new facility there. We plan for the next financial years to put an astro hockey court in Arbor Park and action cricket in Fernwood. Due to cries from the community, Lennoxton library will also get fenced during 2013/14. We are also glad to announce that R3,8 million will be set aside to fence the cemetery in Charlestown and R4,8 million will see us fencing the Rooi point cemetery after

numerous complaints from loved ones of the deceased that expensive headstones are being damaged by stray animals. Grass cutting will receive a further R1 million for more equipment as we continue the battle of keeping the town neat and tidy. We are continuously beautifying the city and we congratulate the department for the new traffic island and greenery on the road leading to Madadeni. The recent fire in the CBD once again highlights the issues in the fire dept.

Please do not think it is strange, when I quote myself from last year's budget address "The recent outbreak of fires within our city is a growing concern. We have come under serious criticism, and rightly so. The many years that this municipality did not spend on upgrading our equipment has now come back to haunt us. Although in the past three years we have managed to purchase three new fire engines as well as numerous other fire fighting equipment, it is not enough. We have already ordered a major fire fighting equipment, used for fighting fires in high-rise buildings, at a cost of R3,3 million. This should be delivered in the latter part of this year. We have also asked for a critical analysis of our department personnel and equipment, and will consider same during the year. We must also boost up our fire department team that go out to all buildings and check fire compliancy levels. It is important that buildings are in line with safety and fire regulations. In this regard we may also be reintroducing the business licenses for all businesses, to make sure that health requirements are also met."

Somlomo, it saddens me, when our political direction is not taken seriously. Whilst the new vehicle will be here in the next couple months, we still need to have a critical analysis of the personnel. There is no point in putting more advanced equipment when our fire fighters and not trained to put out fires, let alone use expensive equipment. In this regard, I am putting this department on terms. Should we not have this report and see a visible change in training programmes, council should recommend to the municipal manager to review the departments and its leadership. We continue to build our new pound and place a further R350 000 for a vehicle for small animals. Our refuse compactor trucks are notorious for breaking down, as most of them have the run the course of reasonable repair, and we have managed to purchase three new trucks during this year. In the new fin year, we budget an unprecedented R14,8 million for new trucks and equipment. This will see four more compactor trucks being ordered, for the west and east. We will be also slowly phasing out the yellow tractors that collect refuse in the east. This money will also see the purchase of a new front end loader used at our waste disposal sites. Traffic department will get a boost with the installations of new parking meters within the next three months. This has been a sore point of many businessmen in the CBD and we take this opportunity to apologise to them for this

inconvenience. We will be also employing more traffic officers, and we have budgeted for traffic cameras to be leased, more especially at our traffic lights. We will continue with phase two of our CCTV roll out in the CBD, suburbs and townships, in our continuous fight against crime.

LAND AND HOUSING

Whilst we have finally managed to put the sites behind St Dominic's up for sale, we continue to budget R8,8 million for more infrastructure in new sites in aviary hill. These sites will be serviced and sold by public tender for middle to high income users. Hon speaker, we also congratulate the department on receiving the level two accreditation with the Department of Human Settlements, but we are also proud that we are finally seeing the Approval of major housing projects. Siyahlalala, Madadeni H39, Khathide housing, Emawozeni and section E Osizweni, are just some of the projects that have finally been approved, and in some of them construction has already begun. You will notice that we are already budgeting for bulk infrastructure such as electricity, water and sewer in some of these projects. Our idea is to develop complete suburbs, and not just houses in the bush. We have also approved the zoning to include the Meadowland housing estate to fall within our social housing zone, so we will be seeing more low income users getting flats in these units. We continue to place or community residential units as a priority, planned for the area alongside link road and Arbor Park for rental units, creating housing infrastructure for middle income rent to own users.

JOB CREATION, YOUTH, POVERTY ALLEVIATION AND WOMEN AFFAIRS

The Newcastle Municipality has led the way in KwaZulu Natal for the creation of jobs through the Extended Public Works Programme. The last batch of over 140 part time jobs has been created last week. We aim to continue to create more jobs, and this includes labourers employed in all our capital projects. Somlomo, it is time to critically assess our Municipalities approach to viable youth projects. I do not believe that we are doing enough to mobilize our youth, train them, employ them and entertain them. The youth council needs to be re-evaluated and serious decisions need to be taken in this regard.

Ihhovisi lika Meya liyaqhubeka nokulekelela ngemali yokubhalisa (the office of the Mayor continues to provide much needed registration fees) for tertiary education to over 130 students over and above the assistance we receive from the Amajuba District Municipality through Her Worship, Mayor Jabu Khumalo. We have further assisted another 6 students with full bursaries for studies in

commerce and engineering. This brings our total to 12 students who we are assisting on a full time basis. We again budget for a further 6 students in this regard. There are numerous students we are forced to turn away because of limited resources and we make an appeal to local business to use our lists of students and at least assist them with registration fees. This is a mere 3 thousand rand per student per year. Educating our youth should be our number one priority. Our relationship with the Amajuba FET College remains strong and there are no youth who have been turned away from getting some skill from this College. Please make sure you give your child a skill and if you cannot afford to, approach your Ward Councillor or my office (thinta iKhansela lakho noma ihhovisi lami, sizokusiza **nomakanjani!!!**

In terms of women development, all our programmes need to benefit at least 50% of our woman in our town. Women entrepreneurs and young girls who need to study need to be given an equal opportunity within our municipality.

We continue with our poverty alleviation program which has in the past seen over 100 small businesses benefitting from this project with new equipment and mentorship. This financial year is no different and a further 2 million rand has been budgeted in this regard. Our economic development department has initiated its business retention ad expansion program and we need to come up with an urgent plan of attracting more foreign direct investment in our city.

RURAL DEVELOPMENT

Izindawo zasemakhaya will receive a further boost in 2013/2014 financial year. We have already mentioned our electrification projects in most of these areas. Our water massification, the building of new VIP toilets and the building new play parks (ukwakha izindlu zangasese ezintsha kanye nezindawo zokudlalela abantwana bethu). A further 5,8 million rand will be put towards the building of the JBC hall and 3 million rand to the Charlestown hall while Charlestown cemetery will be fenced (siphinde sibiye namathuna ase Charlestown. We continue to build our brick manufacturing yard at a further cost of 3,7 million rand, the Ingogo fresh produce market at a cost of 4 million rand. This will help to create jobs in the rural areas. A further 2,5 million rand will be used for land acquisition in Blaauwbosch. This will take the formalization of Blaauwbosch township one step further.

MUNICIPAL OFFICE BLOCK BUILDING

Somlomo, we continue the construction of the super office block in the CBD with a further 110 million rand. This will be funded from our internal reserves. Whilst we expect continuous criticism in this regard we have to acknowledge that the municipality currently spends over 6 million rand a year for renting office space throughout the city. This does not make financial sense. The need for more office space and consolidation of all Departments under one roof will continue to exist for time immemorial. Had the mayor of Newcastle and its Council in 2003, 10 years ago taken this painful decision, we would have had this office block at a fraction of the price. If my Council does not take this decision today, the Mayor of Newcastle in 2023 will be moan the fact that he needs to build this block at over double of what we are paying today. We are therefore ready to take the body blows that we are receiving because of this decisive action as we understand full well that this is an investment in the future of our city. We have also budgeted 800 thousand rand to provide mobile offices for ward councillors and Sukuma Sakhe war rooms closer to their people.

OPERATIONAL BUDGET

Somlomo you will see that our operational budget now stands in the upper region of 1,4 billion rand. Due to massive cost cutting within the departments, we have a fully cashed back operational budget. We also have healthy reserves to the tune of 400 million rand which translates to cash coverage of over 7 months. The national norm is 3 months. Whilst the municipal block will be funded from these reserves, the capital budget of 406 million rand will be funded by way of government grants, municipal infrastructural grants funding and an external loan of 160 million rand to be taken as and when required.

Somlomo, we have been hard pressed to convey to our departments the need for a drastic cost cutting exercise within our operations. The Executive Committee and Council has led the way in this regard where no catering will be provided to EXCO and Portfolio meetings (ithathe isinqumo ukuthi angeke kusaba nokudla emihlanganweni ye EXCO kusukela mhlaka) 01 July 2013. Any meals provided to EXCO and Portfolio meetings will be charged to the salaries of EXCO members and officials.

S and T budgets have been slashed and we are insisting that officials travel less or share vehicles. We have also zoomed in on telephone and cell phone bills and will be charging officials for exhorbitant phone calls. Over time and the use of consultants in this Municipality is endemic and we have tasked the Municipal Manager to investigate these issues and report back to EXCO. Debt collection is another issue we need to focus on. I applaud EXCO for once again leading in this

regard by personally visiting homes in our townships to query why our payments are not being made. A workshop by the finance Portfolio committee is planned for mid-April to come up with innovative ways of debt collection. All in all Hon Speaker, this progressive budget which sees to the needs of developing our townships and maintaining our suburbs comes at a small cost to the ratepayer. We are once again proud to keep our increases for rates, water, sewer and refuse collection to 7 percent across the board. We will also be passing the 8 percent increase of electricity from Eskom directly to our consumers with no addition. This financial year will also see the review of our property valuation role and you will see valuators on the streets by mid-year or sooner. This is in keeping with legislation that all roles must be updated every five years and implemented in the next year's budget.

AUDITOR GENERALS REPORT

A clean audit continues to evade us and the qualifications we received in our last audit on our property plant and equipment and prior period errors will need to be addressed. We are committed to a clean audit by 2014 and will be advertising for a chartered accountant in the positions of Chief Financial Officer and Audit Executive within the next few weeks.

We sound the call to all departments to take heed of our seriousness in this regard, and we will not hesitate to focus on each transaction of irregular expenditure and charge officials for short circuiting the procurement process. Let this be a warning to all. We are running out of patience of been called to answer for your mistakes, and officials who want to continue this practice will surely find themselves outside the Municipality. Our Municipal Manager has the full backing of the Executive Committee to implement these drastic actions. Corruption will also not be tolerated, and all municipal officials are attending workshops on ethics, making certain that they understand the legislation and what is required by them. We appeal to business to be vigilant in this regard. As said before, we intend to create a world class city, where our residents receive value for money, quality services, equally! Where taxpayer's money is spent economically, transparently and with every sense of financial prudence. In this regard, Somlomo, I have themed this year's budget: "taking **Newcastle to the next level!**". It is our intention, now that we have sowed the seeds for a stable Municipality, to nurture it, and make it grow. Leaving behind a legacy of service delivery through infrastructure uplift meant for our people. Councillors will also find on their desks, a box that includes, a flower pot, seeds and soil. We expect you to plant this tree, as we have done for this council, nurture it, and make it grow!

I take this opportunity, Hon. Speaker, to thank all those who have assisted in the preparation of this budget. Our Municipal Manager Mr Kebone Masange, and our Chief Financial Officer Mr Muzi Mayisela deserve to receive special mention. Their teams and all SEDs have been outstanding in their commitment to see development take place whilst keeping costs down. We also thank the staff in the office of the MM and my staff in my office for putting this event together and assisting during the budget process.

My family, wife and children, who see less and less of me each day, deserve a special thank you from me. Having two young boys aged 5 and 2 is demanding for any family, and my wife manages to balance this extremely well whilst I remain an absentee father. My love goes out to you, Farhana. The members of the executive committee who suffered long hours and my ridiculous temper in my quest for perfection are acknowledged. I am sure that you understand that the success of this municipality is your success. In the words of the famous Hellen Keller, "one can never concede to creep, when one has the impulse to soar!"

I thank you
Ngiyabonga!!

2. COUNCIL BUDGET RESOLUTIONS

(a). That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2013/14; and indicative allocations for the two projected outer years 2014/15 and 2015/16; and the multi-year and single year capital appropriations be approved

(b) That the revenue source that will be utilised to fund both operating and capital budgets be noted and approved.

(c) That the Municipality's portion of the Uthukela Water (Pty) Ltd operating budget of R120,000,000 as reflected in Annexure A be approved for 2013/2014 financial year and two outer years (2014/15 : R136 329 746), (2015/16 : R145 872 828).

(d) That in terms of section 24(2)(c)(i) of the Municipal Finance Management Act, 56 of 2003, and sections 74 and 75A of the Local Government Municipal Systems Act, 32 of 2000 as amended, the tariffs for the supply water, electricity, waste services, sanitation services and property rates as set out Annexure F that were used to prepare the estimates of revenue by source, be approved with effect from 1 July 2013 for all services except for water and electricity consumption, which be levied on the new tariff with effect from 01 August 2013.

(e) That the Tariff of Charges be approved.

(f) That it be notes that Rates, Water, Refuse and Sanitations tariffs will be increased by 7% and other tariffs be increased by 10%.

(g) That the new advertising bylaws and its revised tariff structure as contained in the Tariff of Charges be noted and approved.

(h) That it be noted that the electricity tariffs have been provisionally increased by 8% pending NERSA decision and that Incling Block Tariffs be applied.

(i) That in terms of the Indigent Policy, the monthly household earnings of an indigent application be capped at R3 000.

(j) That the Customer Care, Credit Control and Debt Collection Policy be note and approved.

(k) That the Supply Chain management Policy be noted and approved.

(l) That the Rates Policy be note and approved.

(m) That the Tariff Policy be note and approved.

(n) That the Debt Write-off Policy be note and approved.

(o) Policy be note and approved.

(p) That the Cash Management and Investment Policy be note and approved.

(q) That the Budget Policy be note and approved.

(r) That the Virement Policy be note and approved.

(s) That the Fixed Assets Management Policy be note and approved.

(t) That the Funding and Reserve Policy be note and approved.

(u) That the Borrowing Policy be note and approved.

(v) That the Petty Cash Policy be note and approved.

3. EXECUTIVE SUMMARY

OVERVIEW OF THE MUNICIPALITY

Newcastle Municipality is located in the inland region on the Northwest corner of KwaZulu-Natal, a few kilometres south of the Free State and Gauteng provincial borders, in the foothills of the Drakensberg.

The municipality covers an area of 1,855 km², has a population of 332,980 by Census 2001 figures and is made up of 31 wards.

The Newcastle municipal area is the most densely populated municipality in the District and constitutes 71% of the total population of the Amajuba District Municipality, and 3.5% of the total population within KwaZulu-Natal.

From the 2001 Census figures, Newcastle has a very young population with most being in the 15 to 34 age group. This implies that most are in the active age group and hence planning is required for more employment opportunities. This is a challenge that needs a strategic approach in light of the general economic dynamics of the district as a whole.

The income breakdown of Newcastle further qualifies the fact that there are limited formal employment opportunities in the area. More than 60% of the population has an income of less than R1 500 a month.

More than 48% have an income of less than R1000 per month. The number of people with no income has also trebled since the 1996 census. This has seen an increase in the indigent population from 220 to approximately 19,500 since March 2005. 60% of the population of Newcastle is mainly urban with 59,423 living in formal housing, 6,851 living informal settlements and 4,649 in traditional housing.

Newcastle is a secondary city offering employment opportunities to the surrounding rural hinterland and acts as the district's urban core. It therefore provides employment opportunities to the whole district. The greatest challenge is to provide housing accommodation and the essential services to meet the increasing demand especially around the urban core where a lot of informal settlements are sprouting up.

The following are the statistics for Newcastle drawn from the Census 2001 information presented by the Statistics South Africa.

Criteria	Newcastle %
Unemployment rate	54%
Population employed	27%
Population unemployed	32%
Population not economically active	40%
Access to electricity for lighting	84%
Access to refuse removal	71%
Piped Water inside dwelling	58%
Age group below 19	50%
Population with toilet connected to sewer	56%

The district as a whole is facing decline in GGP in all sectors. The economy of the district has experienced a change from a dominant manufacturing base to a services base.

There has been some growth in the trade, construction and community services sectors. The economy of Newcastle is however dominated by clothing and textiles, chemicals and metals. Although the district as a whole has a number of challenges due to the declining economy a lot of initiatives are underway to revive the economy.

Institutional Arrangements

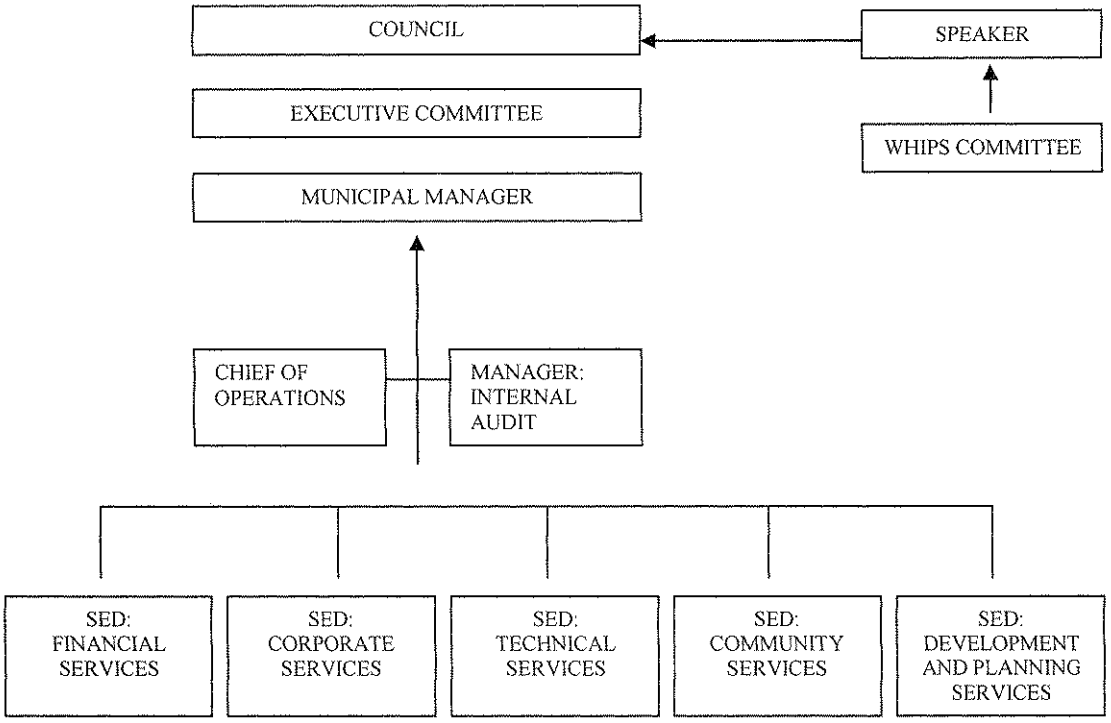
The Municipality has a staff compliment of approximately 1300 people, servicing areas of Newcastle, Madadeni, Osizweni, Blaauwbosch, Ngagane, Kilbarchan, and Charlestown.

The Newcastle Organogram (illustrated below), and as approved by Council, makes provision for a Municipal Manager, a Chief of Operations, Internal Audit, Legal Services and five Departments each headed by a Strategic Executive Director. The five Departments of the municipality are:

- Financial Services
- Corporate Services
- Technical Services
- Community Services
- Development and Planning Services

It should be noted that Council is still in the process of revising the structure which has been divided into two sections, being the macro structure and the micro structure. The macro structure has already been implemented by Council, and the micro structure is yet to be reviewed.

NEWCASTLE MUNICIPALITY: ORGANOGRAM



COUNCILLORS, EXECUTIVE COMMITTEE AND OFFICIALS

EXECUTIVE COMMITTEE

DESIGNATION	SURNAME & INITIALS	PORTFOLIO COUNCILLOR	POLITICAL PARTY	WARD
Mayor	Rehman A F	Financial services	ANC	PR
Deputy Mayor	Mdluli R N	Technical Services	ANC	13
Executive Committee Member	Hadebe T Z	Community Services	DA	PR
Executive Committee Member	Ndima R B	Corporate Services	IFP	PR
Executive Committee Member	Kunene N P	Community Services	ANC	PR
Executive Committee Member	Lukhele S B M	Planning & Development	NFP	PR
Executive Committee Member	Ntombela B S	Corporate Services	ANC	12
Executive Committee Member	Shunmugan M	Planning & Development	ANC	3
Executive Committee Member	Vorster J A	Technical Services	IFP	PR

COUNCIL

DESIGNATION	SURNAME & INITIALS	POLITICAL PARTY	WARD
Speaker	Zikhali M F	ANC	14
Councillor	Bam V V	IFP	PR
Councillor	Bhekiswayo M M	ANC	26
Councillor	Buhali M V	AZAPO	PR
Councillor	Buthelezi D R F	ANC	10
Councillor	Buthelezi S S E	ANC	8
Councillor	Cronje E	DA	2
Councillor	Damons J M E	DA	PR
Councillor	De Jager	DA	4
Councillor	Dube C L	NFP	PR
Councillor	Dube D X	IFP	PR
Councillor	Gabuza J K	ANC	24
Councillor	Gama F P	ANC	9
Councillor	Hlabisa T S	ANC	22
Councillor	Hlatshwayo M M E	ANC	PR
Councillor	Hlatshwayo S B	IFP	7

Councillor	Keeka I	DA	PR
Councillor	Khoza L G	ANC	5
Councillor	Kubheka C B	IFP	PR
Councillor	Kubheka S	ANC	1
Councillor	Madonsela H S	ANC	31
Councillor	Malindi H T	ANC	11
Councillor	Mashinini A M M	RLP	PR
Councillor	Matthews N S	ANC	15
Councillor	Mbatha J S	ANC	6
Councillor	Mbatha Z J	ANC	20
Councillor	Mbokazi M N	ANC	29
Councillor	Mlangeni M S	IFP	PR
Councillor	Mdlalose M O	ANC	19
Councillor	Mkhize C N	AZAPO	PR
Councillor	Mkhwanazi H N	ANC	30
Councillor	Mlangeni M G	IFP	PR
Councillor	Mlangeni M S	IFP	PR
Councillor	Mncube G A	FEDCON	PR
Councillor	Msibi N A	ANC	27
Councillor	Ndlovu S G	ANC	21
Councillor	Ngcobo M E	ANC	25
Councillor	Ngobese NJ	ANC	23
Councillor	Nhlapho C L	IFP	PR
Councillor	Nkosi D J Z	IFP	PR
Councillor	Ntshangase N T	NFP	PR
Councillor	Nyembe E M	ANC	16
Councillor	Nzuze T M	IFP	9
Councillor	Shabalala D O	ANC	28
Councillor	Sibilwane D M	ANC	17
Councillor	Thwala S M	ANC	PR
Councillor	Tshabala D E	ANC	18
Councillor	Zulu S J (Prince)	RLP	PR
Councillor	Zulu T M	IFP	PR
Councillor	Zungu E M	NFP	PR
Councillor	Zwane M E	NFP	PR
Councillor	Zwane M M	AZAPO	PR
Councillor	Zwane N A	ANC	PR

SENIOR OFFICIALS

DESIGNATION	SURNAME & INITIALS
Municipal Manager	Masange K
Strategic Executive Director: Financial Services	Mayisela M J
Strategic Executive Director: Corporate Services	Hauptfleisch E

Strategic Executive Director: Technical Services	Dube S
Acting Strategic Executive Director: Community Services	Nkosi E.M
Acting Strategic Executive Director: Development and Planning Services	Nyathikazi E J
Chief of Operations	Mswane B E
Executive Manager: Legal Services	Nkosi E M
Manager Internal Audit	Ngwenya S

MEDIUM TERM BUDGET 2013/14 TO 2015/16

INTRODUCTION

The purpose of the 2013/14 medium-term budget is to comply with the Municipal Finance Management Act (No.56 of 2003) and is a financial plan to enable the municipality to achieve its vision and mission through the IDP which informs the Newcastle Municipality's five-year programme and community/stakeholder inputs.

The tabling of the 2013/2014 budget was a statement of our commitment to the people of Newcastle, proposing a total budget of R1.9 billion, comprising R409.7 million for capital and R1.5 billion operating budget. The 2013-2016 multi-term budget posed many challenges and obstacles which had to be addressed and accommodated by the limited financial and other resources.

The budget has been prepared in terms of the new Budget Format and Reporting Regulations. The tabling of draft budget was as a journey towards consultation processes with communities throughout the municipal area and all other relevant stakeholders, which will take place during April and May 2013. Comments and inputs from various stakeholders will be considered during the consultation process after which the final budget will be presented by His Worship, Mayor Afzul Rehaman before the municipal council.

OPERATING BUDGET

Revenue

The following are proposed tariff increases and other allocations as indicated below:

Assessment Rates	7%
Electricity	7%
Refuse Removal	7%
Water	7%
Sewer	7%

Revenue from property rates will increase by only 7% from the 2012/13 adjusted budget of R173.9 million. The rates revenue is projected to stand at R186.1 million in the 2013/14 financial year.

Electricity tariffs are expected to boost the operating revenue by R567.5 million, an increase of R65.3 million from R502.3 million in the 2012/13 adjusted budget. It should be noted

that the increase of 7% relates to Eskom tariff increase on average tariffs, and it be noted that municipality will also be purchasing electricity at an increase rate of 8% from Eskom.

Waste management is expected to generate about R68.6 million to the operating revenue, representing an increase of R5.1 million from the 2012/13 adjusted budget. This represents an increase of 7% from the adjusted budget of 63.5 million.

Revenue from water sales will increase from R135.5 million to R153.6 million, which is an increase of (R8.8 million). Water tariffs will increase by 7%. Revenue from sanitation will increase from R78.4 million to R84.4 million, which is an increase of R6 million

Total grant allocations to fund operating budget are expected to be R288.4 million, being the equitable share, the Municipal Systems Improvement Grant (MSIG), the Finance Management Grant (FMG) and various provincial allocations. The equitable share allocation to be received from National Government increased from R270.4 million to R276.6 million (R6.2 million).

Revenue from investments interest is projected at 17.4 million, being an increase of R1.3 million the adjusted allocation of R16.1 million for the 2012/13 financial year.

Total revenue for the 2013/14 financial year is estimated at **R1 414 350 113**.

Expenditure

Employee Related Costs: R294.2 million (19.6% of Total Expenditure)

Employee related cost has increased by 7.6%. In terms of the Collective Agreement on Wages and Salaries signed by the Local Government National Bargaining Council, salaries increases for 2013/14 financial year will be based on the average inflation rate plus 1.25%. The consumer price index for the next financial year is projected to be 5.5%.

Councillors' Remuneration: R19 million (1.3% of Total Expenditure)

Expenditure of Councillors' Allowances increased from R17.8 million to R19 million.

Repairs and Maintenance: R92.2 million (6.1% of Total Expenditure)

Expenditure on repairs and maintenance is expected to decrease from 87.9 million to 93.1 million from the 2011/12 adjusted budget. This represents a decrease of 6%

Bulk Purchases – Electricity: R400 million (26.6% of Total Expenditure)

Expenditure on bulk electricity purchases remained unchanged from the previous financial year.

Agent Fees (uThukela Water):8% of Total Expenditure)

The municipality's contribution to uThukela water increased from R119 million to R120 million which is an increase of 0.8%.

Debt Impairment: R90.1 million (6% of Total Expenditure)

Expenditure on bad debts is expected to increase from R83.8 million to R90.1 million. This is an increase of R6.3 million (7.5%). It should further be noted that the increase in bad debts is directly linked to the increase in the rates and service tariffs.

Depreciation: R229 million (15.3% of Total Expenditure)

Provision for depreciation is sitting at R229.5 million and is based on the asset register and the anticipated new capital acquisitions.

Finance Charges: R16.3 million (1.1% of the Total Expenditure)

Expenditure on finance charges is expected to increase from R11.3 million to R16.3 million. This represents an increase of R5 million (44%). This is due to additional loan that will be raised fund new capital projects. The municipal building will no longer be funded by the external loan but will funded by the municipality's internal funding.

General Expenses: R195.2 million (13% of the Total Expenditure)

Other general expenses are expected to increase from R180.1 million to R194.9 million. This is an increase of R14.9 million (8%).

Operating Deficit R87.6 million

Council has approved its draft budget with an operating deficit of R87.6 million. In terms of MFMA circular no 42, the municipality's budget need not to balance but must be funded. The municipality's budgeted cash flow yields a cash surplus which means that the municipality's budget is adequately funded.

CAPITAL BUDGET: R407.7 MILLION

Funding Sources

The total capital budget for the 2013/14 financial year amounts to R407.7 million, which will be funded as follows:

FUNDING SOURCE	2013/14 DRAFT BUDGET	2014/15 DRAFT BUDGET	2015/16 DRAFT BUDGET
External Loans	163 917 000	126 889 000	
Internal Reserves	110 800 000	110 000 000	123 950 000
Grants	133 011 521	180 390 000	99 700 000

ISSUES NOT ADDRESSED IN THE 2013/14 BUDGET

Operating Budget

- Filling of all critical vacant positions as per new department structures
- Possible demands for higher salary increase than budgeted, especially back pays in terms of the Wage curve and Categorisation Collective Agreement.
- Potential cash outflow due to the under provision for bad debt provision.
  - Free basic electricity limited to 50kW to indigent households.

Water Budget

- Funding to address water infrastructure problems may be inadequate.
- Provision of funds to implement and monitor water restrictor system.
- Free basic water limited to 6kl to indigent households.

ALIGNMENT WITH NATIONAL AND PROVINCIAL PRIORITIES

The Newcastle Municipality's IDP and Medium-term budget need to align with national and provincial initiatives to ensure optimal impact from combined effort of government. The Municipality is confident that this budget is structured to give effect to the strategic priorities and support long-term sustained growth and development in line with National and Provincial objectives.

The following priorities are part of National Government's framework to enhance the social, cultural and economic welfare of all South Africans.

- Expanding investment in the built environment and increasing access to basic services
- Enhancing skills and quality of education
- Reducing levels of crime and enhancing citizen safety
- Improving the provision of healthcare and broadening programmes
- Sustaining employment growth through increased public investment spending

The 2013/14 medium term budget seeks to address a number of these priorities by, amongst others, wider provision of municipal services, free basic services for indigents, initiatives to encourage capital spending to provide a vast public infrastructure.

5. BUDGET TABLES AND RELATED CHARTS

As attached in Annexure A - A1 Schedule

PART 2 – SUPPORTING DOCUMENTATION

5. OVERVIEW OF BUDGET PROCESS

Political Oversight of Budget Process

The concept of political oversight over the budget process is an important one and it is the key to ensuring that strategy informs budget.

The political oversight role of the Mayor is contained in Section 53 (1)(a) and (b) of the Municipal Finance Management Act (MFMA). It requires that the Mayor must provide political guidance over the budget process and the priorities that guide the preparation of the budget. It further requires that the Mayor co-ordinate the revision of the IDP and the preparation of the annual budget and to determine how the IDP is to be taken into account for the purpose of the budget.

The demands on the Municipality to address service delivery backlogs and to improve service delivery to all of its citizens, within current financial resources, are challenging. Political oversight of the budget process is therefore essential to ensure that the priorities of the municipality are addressed through budget allocations.

Schedule of Key Deadlines Relating of Budget Process

One of the objectives of the budget timetable is to ensure the development of IDP and the budget and also to ensure that a funded budget is tabled for consideration and approval. The timetable schedule for the compilation of the 2013/14 budget cycle was approved by Council during August 2012 in compliance with the MFMA.

Process for Consultations with Stakeholder Groups and Outcomes [MFMA 21(1)(b)]

Section 22 of the MFMA requires that after tabling of the annual budget in Council, the municipality must make public the draft budget and also invite the local communities to submit representations thereon. Accordingly the tabling of this draft budget in the Council on 26 March 2013 will be followed by followed by the following activities:

- The summarised draft budget and consultation meetings will be published in News Letter
- Draft budget will be submitted to Provincial and National Treasuries as well as Department of Provincial and Local Government
- The Draft budget will be presented to the IDP Representative Forum
- The Draft budget will be presented to the Ward Committees
- Public meetings will be held in various wards
- The Draft budget will be presented to the Business Community
- The Draft budgeted document will be generally distributed to libraries and other municipal offices to allow the wide invitation of comments ad representations to the draft budget.

The public budget road show meetings will take place during April and May 2013. The schedule of budget road shows will be publisized in the local newspaper, website, and libraries as well as in the municipal notice boards.

6. OVERVIEW ALIGNEMENT OF IDP AND BUDGET WITH, MONITORING AND IMPLEMENTATION THROUTH SERVICE DELIVERY BUDGET IMPLEMENTATION PLANS

PURPOSE

This document presents an Integrated Development Plan (IDP) for Newcastle Local Municipality (NLM). The IDP is prepared in compliance with the requirements of Chapter 5, particularly Section 25 of Local Government Municipal Systems Act (32 of 2000), which obliges a municipal council to adopt a single, all inclusive and strategic plan for the development of the municipality, within a prescribed period after the start of its elected term. It outlines a development agenda for the municipality for the next five years. The Newcastle Municipality has undertaken its third round of its IDP process after the inception of new Council after 18 May 2011 local government elections.

INTRODUCTION TO NEWCASTLE MUNICIPALITY

Newcastle Local Municipality is one of the three local municipalities that make up Amajuba District. This is required located on the northwest corner of KwaZulu-Natal, and borders onto Free State and Mpumalanga provinces to the west and north respectively. Utrecht and Dannhauser local municipalities are located along the eastern and southern boundary. It covers an area of approximately 1854km2. Total population in the NLM is estimated at 363236 people spread unevenly among the thirty one (31) wards with nearly 80% residing within the Newcastle East. Newcastle population is relatively young with 46% of the population being younger than 19 years of age, while the age group between 20 and 34 years accounts for 27% of the population. Newcastle accounts for 73% of the district population.

The municipal boundaries were delineated in terms of the Municipal Demarcation Act, (Act No. 27 of 1998) and takes into account population movement trends, regional economic patterns and current land use pattern. As such, the boundaries are not just administrative, but are also intended to promote social and economic development while also strengthening regional economic and functional linkages. Newcastle is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in KwaZulu Natal. Newcastle is centrally located in the northern region, of KZN halfway between Johannesburg and the harbours of Durban and Richards Bay, contributes to the export of manufactured goods, as well as for distribution to the Gauteng market. Newcastle is also provided with good access infrastructure to these areas, which includes road and rail networks. It is situated on the national rail route between the Durban Container Terminal and City Deep in Gauteng, and has within its confines, major rail exchange yards, supporting railway stations and extensive goods conversion/warehousing facilities.

DEVELOPMENT STRATEGY

NLM development strategy is based on a long-term vision, but acknowledges the significance of issues that needs to be addressed in the short to medium term. As such, the municipality has formulated development goals that seeks to address the challenges facing the institution currently and reposition the area in a development path as follows:

To develop Newcastle as a service and industrial hub.
To eradicate all forms of poverty and destitution/indigence.
To be an example of service and governance excellence.
To improve the quality of life.

To achieve environmental sustainability.
To promote gender equality and empowerment.

In the short to medium term, the municipality will initiate projects with clear targets and outputs towards the attainment of these goals. It will accellerate delivery of services and gradually consolidate outcomes so as to attain the desired future situation.

Particular focus will be paid to the following key areas of strategic intervention:

- Spatial integration and environmental sustainability: Particular focus will be paid on developing systems and procedures for effective land use and environmental management.
  Local economic development: The municipality has a responsibility to create a climate conducive for public and private sector investment. As such, the municipality is committed to work with other government agencies and departments to deliver state of the art economic infrastructure that will facilitate development of effective service and industrial sectors.
- Service delivery and infrastructure development: The NLM is the sphere of government that is closer to the communities. This bestows a huge responsibility to delivery services where the municipality is directly responsible and coordinate the delivery of services that fall outside the constitutional obligations of the municipality.
  Municipal transformation and organisational development: The attainment of development goals as outlined above requires the municipality to establish effective systems and procedures for both municipal administration and local governance. This includes attracting and retaining well trained, experienced and committed employees.
- Municipal financial viability and management: Funds will be a critical input in process towards the attainment of the above-outlined goals. As such, it is critically important to ensure that the municipality is able to generate sufficient funds to be able to deliver services and facilitate development. Also important is ability to account for the use and disbursements of public funds.
- Good governance and public participation: The municipality is committed to putting in place systems and procedures for accountable local governance. This includes oversight responsibilities, auditing function, risk management, etc. Members of the public will be kept informed and engaged in all municipal affairs.

STATUS QUO ANALYSIS

Future development within NLM should respond directly to the development trends, patterns, needs and aspirations of those who live and/or work within the area. It must be relevant to the local context while also contributing to the attainment of the provincial and national development imperatives. This section provides a detailed analysis of the current development situation within the NLM. It is structured substantially in accordance with the Key Performance Areas (KPA), but also considers issues that are pertinent to Newcastle Municipality. The national KPA's are as follows:

Social and economic development.
Infrastructure development (service delivery).
Institutional development and corporate governance
Financial management
Democracy and good governance.
Spatial planning and Environment

SOCIO-ECONOMIC PROFILE

DEMOGRAPHIC PROFILE

POPULATION SIZE AND GROWTH PATTERNS

The official government figures reflected in the 2011 census data estimates the total population of the NLM to 363 236 people. This marks a net population increase of 0.87% per annum between 2001 and 2011. It is noted that between 1996 and 2001, population increased by 2.93% per annum. This means that although the population continues to increase, rate of growth is declining.

Table 1: Population Size – Amajuba District and Newcastle Municipality

TOTAL POPULATION BY MUNICIPALITIES	TOTAL POPULATION		% POPULATION GROWTH	
	2001	2011	2001	2011
Newcastle	332981	363236	2.93	0.87
Emadlangeni	32277	34442	6.00	0.65
Dannhouser	102779	102161	0.71	-0.06
Amajuba	468036	499839	2.61	0.66

Source: Stats SA, 2011 Census Data

This trend is characteristic of the whole district with municipalities such as Dannhauser recording a negative growth rate. Population growth rate in Newcastle is above district average of 0.66% making Newcastle the fastest growing municipality in the district in terms of population.

Newcastle accounts for 73% of the district population. 20% of the district population resides in Dannhauser while only 7% is found in Emadlangeni Municipality.

SOURCES OF ENERGY

The municipality with the assistance of ESKOM has made substantial progress with the provision of electricity throughout its area of jurisdiction. 69 800 and 73 449 households are using electricity for cooking and lighting respectively. The number of people using sources of energy such as paraffin, wood, gas, coal, etc has declined substantially.

However, there is a few areas where lack of services has been reported. These include informal settlements and areas that were settled after the settlement was electrified.

ACCESS TO WATER

Water supply infrastructure in Newcastle Municipality varies between areas reflecting the impact of separate development and urban bias of the past planning and development practices. Newcastle town is generally well provided with water while a few households in Madadeni and Osizweni Townships are experiencing shortage in this regard. Severe backlogs have been reported in rural wards where the level of backlog is high. A review of the 2011 census data reveals that 50% of the population has water inside their dwelling units. However, a significant number of people (more than 35% still obtain water beyond a 200m radius of communal stand pipes. People who do not have access to piped water account for only 4% of the total population.

The Newcastle Municipality, in line with National policy on FBW, makes budgetary provision of 12kl per household for indigent families, funded through the Equitable Share. The recently updated

Water Services Development Plan (WSDP) indicates that there has been a reduction of 18% in water backlogs between the 2002 and 2010 with an existing water service backlog of 24%. Breakdown of the level of access to water by municipal wards is indicated on the table below:

Table: 6: Access to Sanitation by Wards

Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other
Municipal Wards	851	933	452	93	94	258	20	341	87
Ward 13 242	6	1	2	1	1	5	5	20	
Ward 22 294	16	1	3	9	12	8	7	34	
Ward 32 789	6	-	7	3	1	8	13	9	
Ward 42 873	7	1	1	3	1	6	4	8	
Ward 53 821	82	11	29	5	7	55	552	249	
Ward 63 216	32	2	15	6	5	20	93	239	
Ward 71 765	17	-	1	2	-	5	49	22	
Ward 83 632	11	-	3	-	-	4	5	70	
Ward 92 108	2	-	1	1	-	5	7	38	
Ward 10	2 436	8	4	1	4	-	12	4	32
Ward 11	1 701	31	7	2	1	-	7	14	68
Ward 12	1 667	3	3	1	-	-	2	7	6
Ward 13	3 287	13	5	2	2	-	-	89	214
Ward 14	1 444	216	27	5	12	4	13	280	212
Ward 15	2 613	117	2	7	2	-	5	17	345
Ward 16	2 368	8	-	-	-	-	25	1	7
Ward 17	2 148	99	-	1	-	-	20	29	277
Ward 18	2 215	21	7	1	6	1	2	230	22
Ward 19	3 705	41	1	4	-	-	12	11	17
Ward 20	2 583	118	5	76	2	12	17	149	136
Ward 21	1 949	1	-	2	-	-	5	4	1
Ward 22	1 800	7	-	2	-	-	11	112	9
Ward 23	2 906	25	2	1	2	-	3	4	17
Ward 24	3 382	301	1	2	-	5	6	-	13
Ward 25	1 601	4	-	1	1	-	2	1	8
Ward 26	2 453	6	-	-	2	-	5	1	14
Ward 27	1 633	2	5	1	4	1	1	7	8
Ward 28	2 497	2	-	2	1	-	8	17	8
Ward 29	2 576	13	2	7	5	1	5	87	24
Ward 30	2 171	87	4	1	1	2	9	270	81
Ward 31	75 725	2 235	545	278	169	312	305	2 411	2 292
Grand Total	75 725	2 235	545	278	169	312	305	2 411	2 292

Source: Stats SA, 2011

The graph below illustrates the demand for water and indicates the crisis that might face NLM is water issues are not given priority within LM.

ACCESS TO SANITATION

Similarly, the peri-urban and rural areas with the JBC and rural settlements in the Khathide and AmaHlubi communities are characterised by high sanitation backlogs. The JBC node has no sewerage reticulation in place. The residents rely on over 15 000 ventilated improved pit (VIP)

latrines. Most of the VIPs are full and the Municipality spends about R1,0 million every month in de-sludging the VIPs. Plans are underway to formalize Blaawbosch and considerable sewage flows are expected.

Source: Stats SA, 2011

A breakdown of level of access to sanitation by municipal wards is indicated in the table below. 688 people said to be on bucket system is a source of concern and will be attend immediately.

Table: 7: Access to Sanitation by Wards

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 1168	456	343	87	136	1777	36	124	
Ward 22	3259	14	-	2	-	2	2	
Ward 319	2339	2	-	10	6	1	6	
Ward 4-	2802	9	-	15	4	-	5	
Ward 52	2888	3	-	3	2	-	7	
Ward 6440	28	23	583	1577	1993	22	145	
Ward 7329	804	38	170	1151	891	241	4	
Ward 821	1673	99	4	53	2	4	7	
Ward 9337	1917	52	128	702	546	10	32	
Ward 10	62	2075	19	-	2	1	1	2
Ward 11	18	1649	42	283	9	122	7	372
Ward 12	42	17	12	21	21	1580	2	137
Ward 13	7	1505	1	6	5	148	10	7
Ward 14	14	75	13	422	1180	1851	42	15
Ward 15	85	7	5	35	44	1868	7	163
Ward 16	156	18	12	28	91	2659	19	127
Ward 17	17	2169	17	1	3	138	28	37
Ward 18	65	333	49	160	143	1691	18	117
Ward 19	31	1006	20	559	253	617	3	17
Ward 20	68	3253	201	17	9	17	168	58
Ward 21	24	1970	240	127	88	620	4	25
Ward 22	2	1878	53	2	-	-	22	3
Ward 23	1	1608	270	2	1	12	6	39
Ward 24	17	2864	19	1	21	2	3	34
Ward 25	120	2444	10	4	14	1040	5	73
Ward 26	11	1600	2	-	-	1	-	3
Ward 27	6	1651	19	139	481	6	6	173
Ward 28	5	1643	10	1	2	-	-	-
Ward 29	36	1325	71	186	675	230	3	8
Ward 30	78	1724	18	118	328	383	13	57
Ward 31	115	54	18	897	817	707	3	16
Grand Total	2298	47034	1705	3981	7836	18914	688	1816

VISION, MISSION AND CORE VALUES

The following vision and mission statement for Newcastle Municipality were formulated at a strategic planning session with active participation of both the political and administrative

components of the municipality. The vision commits the municipality to sustainable, integrated, equitable and effective development.

NEWCASTLE MUNICIPALITY DEVELOPMENT VISION

MISSION STATEMENT

The mission statement acknowledges the objects of local government as outlined in various local government legislation and given effect through the IDP and the associated sector plans. It also seeks to align the municipal strategic activities, structure and resource allocation with the powers and functions as prescribed in the Constitution.

LONG-TERM GOALS

NLM development strategy is based on a long-term vision, but acknowledges the significance of issues that needs to be addressed in the short to medium term. As such, the municipality has formulated development goals that seeks to address the challenges facing the institution currently and reposition the area in a development path as follows:

To develop Newcastle as a service and industrial hub.
To eradicate all forms of poverty and destitution/indigence.
To be an example of service and governance excellence.
To improve the quality of life.
To achieve environmental sustainability.
To promote gender equality and empowerment.

KEY DEVELOPMENT CHALLENGES

REGIONAL ROLE AND SIGNIFICANCE OF NEWCASTLE

The identification of Newcastle as an important secondary investment node with potential for industry, agriculture and tourism, indicates its importance on a regional and provincial scale. Newcastle is strategically located halfway between Johannesburg and the harbours of Durban and Richards Bay, and is well connected to these centres by means of both rail and road infrastructure. The N11, P612 and the P483 are some of the roads running through the NLM serving a national, provincial and regional function.

The town serves as an administrative and economic hub for the north-western part of KwaZulu-Natal. This includes the whole of Amajuba District and some of the surrounding areas in Mpumalanga Province and Umzinyathi District. This raises a key question whether the town is developed with sufficient infrastructure and has enough capacity to play its role as a sub-regional economic hub. Some of the critical infrastructure includes tertiary education and health facilities, regional government offices and sports facilities. Equally important is the ability to create employment opportunities and absorb the urbanising labour force. Therefore, planning for the future development of the NLM should go beyond a narrow focus on local issues and incorporate regional social and economic issues.

URBANISATION – SUSTAINABLE HUMAN SETTLEMENTS

Urbanisation is the process in which the number of people living in cities increases compared with the number of people living in rural areas. An area is considered to be urbanised when over 50% of its population lives in urban places. Rate of urbanisation in Newcastle has been very rapid, resulting in the development of settlements along P483 in particular as linear settlements from

KwaMathukuza through JBC to Khathide in the north. Rapid urbanisation brings with it many problems as it places huge demands on land, water, housing, transport and employment. In Newcastle like many other South African Towns, apartheid has made the problems of urbanisation more complex. Urbanisation of black people was made difficult by forcing them to live in areas far from the town. With the lifting of racial restrictions on where people may live and work, many unemployed people have migrated to urban centres such as Newcastle in search of work, bringing their families with them. The shortage of accommodation in town has forced them to live in informal settlements hence the informal settlements that are spread throughout the area with huge concentrations in the eastern areas. Land under the control of Ubohlebomzinyathi Community Authority has also been specifically targeted as these areas present opportunities for a rural lifestyle in an urban context. This presents the municipality with a challenge to devise strategies to manage the urbanisation phenomenon, and ability to undertake pro-active planning in anticipation of population growth. All housing projects undertaken to-date have been reactive.

INEFFICIENT SPATIAL STRUCTUTURE

While the regional economic development forces remain one of the main structuring elements within the NLM, the past apartheid policies have had a profound impact on the structure and functionality of the area. It fragmented communities, marginalised their economic activities and undermined their participation in the economy. It located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development.

The NLM could broadly be described as an apartheid region in the sense that it embodies most if not all the attributes of apartheid spatial patterns. These include the following:

- Low density sprawl which is fuelled in the Newcastle West by anti-city values of suburbia which promotes large plots as an image of good urban living. Factors that contribute to urban sprawl includes continued existence of low density residential suburbs designed in terms of garden city concepts, and entrenched into the Town Planning Scheme through inflexible density controls and scheme clauses such as coverage, minimum site sizes and permissible uses, and easy access to land for settlement in the east.
- Cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighbourhood unit or super block. This has given rise to a coarse grain urban environment characterized by single dwelling units and building ancillary thereto on large plots of land (garden city concept). As such there is a high impact on available land in relation to population size, and travel within the city is costly in terms of time. This gives rise to inefficiency in the use of energy, transportation and movement, and delivery of services.
- Separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes. The separation of places of work and residence was deeply entrenched in the philosophy of urban management. A large number of the poor are living on the urban periphery further away from the opportunities.

Despite businesses being attracted to decentralised locations, the central area has shown some resilience in that new businesses have moved in to occupy space vacated by those who have moved to decentralised locations. However, decay/decline is evident in some sections of the central area.

The combined consequences of these spatial patterns have been phenomenal leaving the area with entrenched inequality and functional inefficiency. It created islands of spatial affluence in a sea of geographical misery (CSIR, July 2002:4). It created a distorted, fragmented, incoherent and inefficient settlement pattern. It also gave rise to spatial, social and economic exclusion of certain race groups to the benefit of other, and created a poorly functioning land and housing market.

ECONOMIC STAGNATION

Over the last few decades, the economy of the Newcastle Municipality area of jurisdiction experienced variable trends marked, in all, by shift from one sector to the other and general decline in both output and performance. Although some mining activities are still evident in the area, it is no longer appropriate to regard Newcastle as a coal mining town. The same applies to agriculture. Both sectors have shed a number of jobs and their contribution to the local economy is at the lowest point ever. Manufacturing remains the main economic activity in the NLM, but is itself facing a number of structural challenges which if not addressed at this juncture will relegate this sector into insignificance. These challenges include the dominance of the clothing and textile sub-sector which implies the lack of economic diversity, poor labour conditions in some of the factories and lack of new investment. In the light of this, there is an urgent need to redefine the role of Newcastle in the provincial and national economy. This may include the identification of new sectors, diversification of some existing factors and strengthening functional integration between Newcastle Town and the surrounding rural hinterland. Tourism development is also one of the key sectors that need to be explored.

POOR ACCESS TO SOCIAL FACILITIES

Huge backlogs in the delivery of public services have been identified as one of the key issues facing Newcastle Municipality. It manifests itself in the following forms:

- Poor condition of schools, which does not contribute to building a culture of learning and teaching.
- Poor access to institutions for early childhood education. This field has been identified by the national government as a priority area of intervention.
- Poor access to health services which affects delivery of primary health care. The latter is a strategy used by the national government to deliver health services.
- Poor access to library services which also affects the development of a culture of learning and teaching.
- Poor access to welfare services including pension pay points, magistrate services, etc.
- Poor access to cemeteries.

Attention should be given to lack of sportfields, parks and swimming pools in the MBO area in order to revive the sport in Newcastle considering that the municipality has a history of producing world stars on soccer.

INFRASTRUCTURE BACKLOG

Access to basic services is one of the main elements of socio-economic wellbeing of an area. The status of the physical and economic development level of a community such as that of Newcastle is often measured based on the provision and quality of infrastructure for technical services, i.e. access to roads, electricity, water and sanitation. These are found to be a huge challenge for Newcastle Municipality whereas the town suffers from maintaining of existing services while rural areas have no basic services at all. In addition, the Newcastle Local Municipality is challenged with the maintenance and development of basic road and storm water infrastructure to serve the local community, particularly in the Newcastle East. This will be severely constrained by limited financial resources. Public transport plays an important role in the economy of Newcastle and deserves some attention in the planning efforts of the municipality.

POOR QUALITY OF THE ENVIRONMENT

The quality of the environment within the NLM requires an urgent attention. This is symbolized mainly by the following:

- Deteriorating quality of water due to mining activities, pit latrines, use of pesticides and fertilizers, and other water contaminating activities.
- Poor air quality due to emissions. Equipment for air quality monitoring is in place but has not been maintained. Closer collaboration with local industries needs to be developed in this regard.
- Urbanization which results in the establishment of settlements in areas that is unsuitable for human habitation. These include floodlines, wetlands, etc.
- Waste collection and disposal. The municipality needs to work together with local communities, particularly in the townships to develop community based programs for keeping the area clean.
- General lack of active open space in the NLM, particularly the township areas.
- Dirt roads which also contribute to a sterile environment.

FINANCIAL MANAGEMENT AND ACCOUNTING

The general lack of requisite knowledge by the finance team on GRAP/GAMAP requirements culminates in:

- An inability to account for financial accounts in line with GRAP/GAMAP accounting standards;
- Reliance on consultants in preparing financial statements in line with GRAP/GAMAP requirements by municipalities already converted from IMFO to GRAP/GAMAP;
- Lack of preparedness by those municipalities still to convert to GRAP/GAMAP requirements; and
- Financial systems not geared towards GRAP/GAMAP requirements.

In addition, the financial diagnostic report identifies the following challenges in financial administration, management and reporting within municipality:

- Lack of systems of internal controls to manage assets evidenced by asset registers not updated when acquisitions, impairments or disposals are made. Reconciliations' of the asset register to the general ledger not performed. Further, the existence of assets cannot be ascertained due to a lack of ongoing process to verify them.
- Inadequate revenue collection systems within municipalities evidenced by low recovery of amounts owed for municipal services from consumer debtors, Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts, Lack of advice to the council on revenue enhancement mechanisms.
- Lack of month end discipline resulting in month end closure not performed, critical month end reconciliations not performed, inability to identify completeness of recording of transactions, and inability to report meaningfully to the municipal structures on financial performance;
- Poor record management resulting in difficulties in tracing financial records supporting the financial affairs of the municipality;
- Lack of processes to identify and manage unauthorised, irregular and wasteful expenditure;
- Issues raised by the Office of the Auditor General not followed up and cleared on time.

HIGH RATE OF POVERTY

Poverty manifests itself in different dimensions with income poverty and human poverty being the most common. Income poverty refers to the lack of sufficient income to satisfy basic food needs and essential non-food needs such as clothing, energy and shelter. It arises from a high rate of unemployment, poor access to productive resources, lack of marketable skills and general lack of job opportunities.Human poverty broadly refers to the lack of basic human capabilities and it arises from high representation of the members who cannot read, write and numerate food insecurity, malnutrition, declining life expectancy, increase of sickness and deaths related to preventable diseases and poor access to basic services. Overcrowding also contributes to this situation.

IMPACT OF HIV AND AIDS

Accurate statistical information about the prevalence of HIV and AIDS in the NLM could not be obtained. However, AIDS has generally been identified as one of the key factors that will influence development over the next few decades. HIV and AIDS will lead to a range of social and economic problems including the following:

- Increase in the dependency ratio as the number of the economically active who dies of AIDS increase.
- Increase in the number of orphans, which in turn may put strain on the limited welfare budget.
- Decline of population with 20 and below years of age.
- Increase in the number of households with members who need special care and treatment thus putting burden on their families, particularly women who are often the ones who look after the seek in addition to their daily activities
- Slowing of population growth.
- Lack of income in cases where breadwinners die of AIDS.
- Low productivity rate.

DEBT MANAGEMENT

Newcastle Municipality has a total debt roll amounting to R 748 934 335. The majority of this is more than 180days old. Individual households account for R647 851 436 of this amount while government departments owe about R23 174 411. This situation arises from a number of factors including the following:

- Lack of control over excessive water leaks is the main and major contributing factor for low payment factor – where does a person start paying an account when it amounts to thousands of rands.
- Indigent using excess water – about 14100 indigent accounts have arrears of R 178 million leaving only about 7000 accounts having balances of less than R 500.
- Electricity meter audit not yet finalized – awaiting technical section report
- Lack of community and or buy in from communities
- No policies regarding water leaks other than that account is to be paid
- Need an improved customer care facility, i.e. call centre, with a proper query recording system.

However, the politicians are showing the political will to resolve this predicament by resolving that a Task Team needs to be established with a clear plan to improve the payment factor.

LACK OF FINANCIAL DISCIPLINE

Lack of systems of internal controls to manage assets evidenced by:

- Asset registers not updated when acquisitions, impairments or disposals are made;
- Reconciliations of the asset register to the general ledger not performed;

- Regular verifications of assets to ascertain existence and condition not in place.

A lack of these processes contribute to delays in the submission of financial statements due to difficulties encountered in reconciling general ledger / trial balance to corresponding supporting schedules. Further, the existence of assets cannot be ascertained due to a lack of ongoing process to verify them.

Inadequate revenue collection systems within municipalities evidenced by:

- Low recovery of amounts owed for municipal services from consumer debtors;
- Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts,
- Lack of advice to the council on revenue enhancement mechanisms.
- Extraordinarily large provisions for doubtful debts being posted on the Annual Financial Statements.
- Lack of month end discipline resulting in month end closure not performed, critical month end reconciliations not performed, inability to identify completeness of recording of transactions, and inability to report meaningfully to the municipal structures on financial performance;
- Poor record management resulting in difficulties in tracing financial records supporting the financial affairs of the municipality;
- Lack of processes to identify and manage unauthorised, irregular and wasteful expenditure;
- Issues raised by the Office of the Auditor General not followed up and cleared on time.

7. MEASURABLE PERFORMANCE OBJECTIVES

Draft Key Performance Indicators

NATIONAL KPA	IDP KPA	VOTE/ RESPONSIBLE DIRECTORATE	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR
FINANCIAL VIABILITY	Financial Viability and Community Communication	FINANCE	To increase the payment factor to 90% by 2011 - To encourage non-indigent consumers to pay	To implement Credit Control policy	Percentage increase in payment factor
DEMOCRACY AND GOVERNANCE	Financial Viability and Community Communication	ADMINISTRATION	To ensure that efficient communication mechanisms are implemented to enhance service delivery	To establish and ensure functional Ward Committees by 2007	Number of Ward Committee meetings held
DEMOCRACY AND GOVERNANCE	Financial Viability and Community Communication	MUNICIPAL MANAGER	To ensure that efficient communication mechanisms are implemented to enhance service delivery	To establish and ensure a functional IDP RF	Number of IDP RF meetings held
DEMOCRACY AND GOVERNANCE	Financial Viability and Community Communication	ADMINISTRATION	To ensure that efficient communication mechanisms are implemented to enhance service delivery	To develop mass communication mechanisms	Number of imbizo's , road shows etc
FINANCIAL VIABILITY	Financial Viability and Community Communication	FINANCE	To ensure an effective and efficient Financial Management System by 2010	To investigate a Phased approach for the review of the FMS to integrate with other Internal ICT systems	As per project process plan
FINANCIAL VIABILITY	Financial Viability and Community Communication	ADMINISTRATION	Implementing the Property Rates Act	To finalise the Valuation Roll for implementation of the Act in 2008'2009	As per process plan

NATIONAL KPA	IDP KPA	VOTE/ RESPONSIBLE DIRECTORATE	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR
FINANCIAL VIABILITY	Financial Viability and Community Communication	HOUSING AND LAND	To Improve revenue base	To ensure that land is available for development	Percentage of available land alienated
FINANCIAL VIABILITY	Financial Viability and Community Communication	INFRASTRUCTURE SERVICES	To ensure and effective and efficient Asset Management System for identified functions	To develop and implement Asset Management Plan for : - Water and Sanitation - CBD road infrastructure - Fleet Management	As per process plan
FINANCIAL VIABILITY	Financial Viability and Community Communication	HOUSING AND LAND	To ensure that service levels/standards are linked to the ability to pay for services	To ensure that all new developments comply with service standards within the beneficiary ability to pay for services	Number of social compacts signed
LOCAL ECONOMIC DEVELOPMENT	Financial Viability and Community Communication	ECONOMIC DEVELOPMENT	To facilitate the reduction of unemployment by 20% by 2011	To promote/facilitate employment	Percentage reduction in unemployment
LOCAL ECONOMIC DEVELOPMENT	Financial Viability and Community Communication	ECONOMIC DEVELOPMENT	To promote and create a conducive environment for economic growth	To promote the development of SMME's and encourage BBBEE's	Number of workshops held
LOCAL ECONOMIC DEVELOPMENT	Financial Viability and Community Communication	ECONOMIC DEVELOPMENT	To promote and create a conducive environment for economic growth	To stimulate foreign investment	Number of new business/industries attracted
INFRASTRUCTURE AND SERVICES	Financial Viability and Community Communication	INFRASTRUCTURE SERVICES	To promote and create a conducive environment for economic growth	To improve infrastructure needs to meet demand	Percentage of infrastructure budget spent for new developments

NATIONAL KPA	IDP KPA	VOTE/ RESPONSIBLE DIRECTORATE	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR
LOCAL ECONOMIC DEVELOPMENT	Job Stimulation and Local Economic Development	ECONOMIC DEVELOPMENT	To promote and create a conducive environment for economic growth	To develop and implement an Investment and Marketing Strategy by 2008	Number of new jobs created
FINANCIAL VIABILITY	Job Stimulation and Local Economic Development	HOUSING AND LAND	To promote and create a conducive environment for economic growth	To audit all properties in Municipal area.	Progress report
LOCAL ECONOMIC DEVELOPMENT	Job Stimulation and Local Economic Development	ECONOMIC DEVELOPMENT	To facilitate the re-opening and rehabilitation of Mines	Rehabilitation of Mines.	Progress report
INFRASTRUCTURE AND SERVICES	Roads & Storm Water	INFRASTRUCTURE SERVICES	To ensure that 10km of Urban Access roads and relevant storm water drainage of inaccessible roads in previously disadvantaged areas to a TAR level is addressed annually	Identify priority Urban Access Roads for upgrading	Percentage of budget spent
INFRASTRUCTURE AND SERVICES	Roads & Storm Water	INFRASTRUCTURE SERVICES	To improve infrastructure needs to meet demand	To develop a Storm water Master Plan	As per process plan
INFRASTRUCTURE AND SERVICES	Roads & Storm Water	INFRASTRUCTURE SERVICES	To ensure that all Main Taxi Routes are tarred	Investigate costs for the upgrading of Main Taxi Routes	As per process plan
INFRASTRUCTURE AND SERVICES	Roads & Storm Water	INFRASTRUCTURE SERVICES	To ensure that a minimum of R10m is allocated for Road and Storm water infrastructure maintenance in 2007/2008 to be escalated by 10% annually thereafter	Budget Guidelines to include minimum maintenance requirements	Percentage of budget spent

NATIONAL KPA	IDP KPA	VOTE/ RESPONSIBLE DIRECTORATE	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR
INFRASTRUCTURE AND SERVICES	Roads & Storm Water	INFRASTRUCTURE SERVICES	To ensure that a minimum of R10m is allocated for Road and Storm water infrastructure maintenance in 2007/2008 to be escalated by 10% annually thereafter	A 5 year maintenance plan be developed (Identify roads and prioritize as per IDP)	Progress Report
INFRASTRUCTURE AND SERVICES	Roads & Storm Water	INFRASTRUCTURE SERVICES	Paving of sidewalks and access roads	Identify areas of high risk for prioritization and costing	Progress Report
INFRASTRUCTURE AND SERVICES	Roads & Storm Water	TOWN PLANNING	TO ensure that all street names are finalized for previously disadvantaged areas	To finalise and implement street naming policy	Percentage of budget spent
INFRASTRUCTURE AND SERVICES	Housing and Land	HOUSING AND LAND	To ensure 50% of housing backlogs as per the waiting list being addressed by 2011	Identify suitable land for housing development for 12500 household	Percentage reduction of backlogs
INFRASTRUCTURE AND SERVICES	Housing and Land	HOUSING AND LAND	To ensure that 100% of beneficiaries of the EEDBC is addressed by 2008	In progress	Percentage of transfers finalised for beneficiaries approved for EEDBC
INFRASTRUCTURE AND SERVICES	Housing and Land	HOUSING AND LAND	Improve Customer Satisfaction	Review, implementation and monitoring of Customer Care Policy	Reduction in number of complaints received
INFRASTRUCTURE AND SERVICES	Housing and Land	HOUSING AND LAND	To Access additional funds for housing develop	To package applications for approval by DoH – In progress	Number of applications approved by DoH
INFRASTRUCTURE AND SERVICES	Housing and Land	HOUSING AND LAND	To ensure slum clearance by 2010		
INFRASTRUCTURE AND SERVICES	Housing and Land	HOUSING AND LAND	To facilitate and fast track land reform	Engage DLA on Area Based Sector Plan	Progress as per Process Plan

NATIONAL KPA	IDP KPA	VOTE/ RESPONSIBLE DIRECTORATE	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR
INSTITUTIONAL TRANSFORMATION	Organisational Restructuring	HUMAN RESOURCES	To ensure 100% implementation of Employment Equity Plan by 2011	Implement the Employment Equity Plan of Council	Percentage compliance with EEP
INSTITUTIONAL TRANSFORMATION		HUMAN RESOURCES	To ensure the implementation of HIV/AIDS strategies	Mainstreaming of HIV/AIDS strategies	As per HIV/AIDS Process Plan
INSTITUTIONAL TRANSFORMATION	Organisational Restructuring	HUMAN RESOURCES	To ensure that 100% of vacancies as per the reviewed Organisational Structure are filled by 2011	To ensure that vacancies are filled as budgeted	Number of vacancies filled as per budget
DEMOCRACY AND GOVERNANCE	Organisational Restructuring	ADMINISTRATION	To ensure accessibility of municipal offices by the community by 2010	To investigate and implement strategic location of all municipal offices	Progress Report
INSTITUTIONAL TRANSFORMATION	Organisational Restructuring	MUNICIPAL MANAGER	To ensure an effective and functional Internal Audit	As per Audit Plan	Percentage compliance as per Audit Plan
INSTITUTIONAL TRANSFORMATION	Organisational Restructuring	MUNICIPAL MANAGER	To ensure that the IDP is approved and implemented	Develop IDP	As per process plan
INSTITUTIONAL TRANSFORMATION	Organisational Restructuring		To ensure that the IDP implemented	To finalise the restructuring process	Percentage of macro structure filled
INSTITUTIONAL TRANSFORMATION	Organisational Restructuring	HUMAN RESOURCES	To adequately develop skills to improve service delivery	To review and implement the Skills Development Plan	Percentage of budget spent
INFRASTRUCTURE AND SERVICES	Water & Sanitation	INFRASTRUCTURE SERVICES	To ensure backlogs are addressed by 2017 in line with WSDP	To prioritise projects as per WSDP	Percentage of households with access to a minimum level of service
INFRASTRUCTURE AND SERVICES	Water & Sanitation	INFRASTRUCTURE SERVICES	To ensure maintenance and rehabilitation of infrastructure.	To prioritize projects as per WSDP	Percentage of budget spent

NATIONAL KPA	IDP KPA	VOTE/ RESPONSIBLE DIRECTORATE	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR
INFRASTRUCTURE AND SERVICES	Water & Sanitation	INFRASTRUCTURE SERVICES	To ensure a basic/minimum level of service to un-serviced areas by the WSP	Provision of a water tank service	Number of households using a water tanker services
INFRASTRUCTURE AND SERVICES	Water & Sanitation	INFRASTRUCTURE SERVICES	To reduce water and sanitation backlogs by 50% by 2011	To prioritize and fund projects as per WSDP	Percentage of backlogs addressed for water and sanitation
INFRASTRUCTURE AND SERVICES	Water & Sanitation	INFRASTRUCTURE SERVICES	To provide Water and Sanitation to Public Facilities(Clinics, Schools, Churches etc)	Identify facilities without service	Percentage of facilities serviced
INFRASTRUCTURE AND SERVICES	Water & Sanitation	MUNICIPAL MANAGER	To ensure the viability of the Entity (WSP) by 2008	Review SP Agreement – In progress	Progress Report to Council quarterly
INFRASTRUCTURE AND SERVICES	Water & Sanitation	INFRASTRUCTURE SERVICES	To rehabilitate bulk infrastructure in line with the WSDP	Prioritise projects and source funding as per WSDP	Progress Report
INFRASTRUCTURE AND SERVICES	Water & Sanitation	INFRASTRUCTURE SERVICES	To ensure that provision of maintenance of infrastructure annually(as per budget guidelines)	Refer to WSP	Approval of budget aligned to WSDP
INFRASTRUCTURE AND SERVICES	Water & Sanitation	HUMAN RESOURCES	To establish a fully functional WSA	Source funding and or provide on Budget in terms of Business Plan	Progress Report
LOCAL ECONOMIC DEVELOPMENT	Education/Skills Development	ECONOMIC DEVELOPMENT	To facilitate ABET in Newcastle.	To engage Tertiary institutions	Number of ABET classes confirmed with Tertiary institutions
INFRASTRUCTURE AND SERVICES	Education/Skills Development	TOWN PLANNING	To facilitate the provision of adequate Primary and secondary education facilities including crèches	To engage with DoE and relevant stakeholders	Progress Report

NATIONAL KPA	IDP KPA	VOTE/ RESPONSIBLE DIRECTORATE	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR
LOCAL ECONOMIC DEVELOPMENT	Education/Skills Development	ECONOMIC DEVELOPMENT	To facilitate the establishment of skills centres.	To engage Private and public sector	Progress Report
INFRASTRUCTURE AND SERVICES	Electricity	INFRASTRUCTURE SERVICES	To electrify public facilities	Identify public facilities without access to electricity	Percentage of facilities being serviced
INFRASTRUCTURE AND SERVICES	Electricity	INFRASTRUCTURE SERVICES	To construct high mast lights in previously disadvantaged areas	Allocation of R2m per annum to be provided for	Percentage of budget spent
INFRASTRUCTURE AND SERVICES	Electricity	INFRASTRUCTURE SERVICES	Provision of FBE in unlicensed areas	Identify beneficiaries in conjunction with ESKOM	Number of indigent beneficiaries receiving FBE
INFRASTRUCTURE AND SERVICES	Electricity	INFRASTRUCTURE SERVICES	Provision of FBE in licensed area(prepaid)	Investigate roll out of FBE to prepaid consumers in Newcastle License area	Number of indigent beneficiaries receiving FBE in licensed area
INFRASTRUCTURE AND SERVICES	Electricity	INFRASTRUCTURE SERVICES	To ensure that infrastructure is maintained and rehabilitated annually	Provision on Budget of 3% of value of asset annually for maintenance	Percentage of value of asset budgeted for maintenance
INFRASTRUCTURE AND SERVICES	Electricity	INFRASTRUCTURE SERVICES	Maintenance of lighting along Provincial roads	Engage DOT	Progress Report
INFRASTRUCTURE AND SERVICES	Primary Health	INFRASTRUCTURE SERVICES	To improve accessibility to facilities in rural areas	Refer to Roads and Storm water	Progress Report
INFRASTRUCTURE AND SERVICES	Primary Health	COMMUNITY SERVICES	To improve health services	To engage Dept of Health	Progress Report
FINANCIAL VIABILITY	Spatial development	TOWN PLANNING	To encourage better usage of vacant land	Identify open spaces/areas for development	Number of area based plans compiled
FINANCIAL VIABILITY	Spatial development	TOWN PLANNING	To encourage better usage of vacant land	To investigate Mixed use zones as per LUMS	Number of rezoning applications processed for Mixed use zones

NATIONAL KPA	IDP KPA	VOTE/ RESPONSIBLE DIRECTORATE	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR
INFRASTRUCTURE AND SERVICES	Spatial development	TOWN PLANNING	To encourage better usage of vacant land	To ensure that the SDF is reviewed annually	Approval of SDF
INFRASTRUCTURE AND SERVICES	Spatial development	TOWN PLANNING	To encourage better usage of vacant land	To investigate CBD regeneration including parking provision and residential provision	As per CBD Development Plan
INFRASTRUCTURE AND SERVICES	Spatial development	TOWN PLANNING	To encourage better usage of vacant land	To implement Urban Renewal strategies (JBC Precinct)	Percentage of Capital budget invested in JBC
INFRASTRUCTURE AND SERVICES	Spatial development	TOWN PLANNING	To encourage better usage of vacant land	To investigate and source funding for East and West integration (Mad& Osizweni Corridor)	Number of projects funded
INFRASTRUCTURE AND SERVICES	Refuse Removal	COMMUNITY SERVICES	To ensure that backlogs are addressed	Render either a Skip(Communal) or bag collection service in Blaauwbosch and Dry Cut (6000 households)	Number of household with at least a weekly service
INFRASTRUCTURE AND SERVICES	Refuse Removal	COMMUNITY SERVICES	To ensure that backlogs are addressed	To address backlogs linked to completed housing projects (Section E Osizweni and KwaMathukuza)	Percentage Reduction in backlogs
INFRASTRUCTURE AND SERVICES	Disaster Management	COMMUNITY SERVICES	To ensure that fire hydrants meets standards as stipulated in legislation	Prepare business Plan and Investigate funding sources	Progress Report

NATIONAL KPA	IDP KPA	VOTE/ RESPONSIBLE DIRECTORATE	OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR
INFRASTRUCTURE AND SERVICES	Disaster Management	COMMUNITY SERVICES	To ensure that fire hydrants meets standards as stipulated in legislation	To annually review the Disaster Management Plan	As per process plan
INSTITUTIONAL TRANSFORMATION	HIV/AIDS	MUNICIPAL MANAGER	Strategy in Progress (Incorporate)		As per process plan
INFRASTRUCTURE AND SERVICES	Environment	COMMUNITY SERVICES	To ensure a safe environment	Development and implementation of EMP	Progress Report

Free and Subsidised Basic Services

Municipalities play central role in supporting economic development and alleviating poverty. The provision of basic services is a critical input to social well being and economic activity. Newcastle Municipality comprises both rural and urban areas as well as wide spread of income groups. Due to variation in living environment, the municipal area has a number of households who currently do not have access to all services.

The basic social package is an affirmation of the Municipality's commitment to push back the frontiers of poverty by providing a social welfare to those residents who cannot afford to pay, because of adverse social and economic realities. The social package will also assist the Municipality in meeting its constitutional obligations.

The estimated cost of social package (income foregone through indigents) amounts to R62.6 million for the 2012/13 budget year. Details of initiatives carried out by Newcastle Council in this regard are detailed below:

Service	Social Package	Million (R)
Assessment Rates	All residential property owners are exempt from paying rates on the first R15,000 of the property value. Indigent residents will receive 100% rebates on rates.	10.4
Water	The first 12kl of water is free to all residents qualified as indigents in terms of the policy	8.8
Electricity	The first 50kwh of electricity is free to all residents qualified as indigents in terms of the policy	5,5
Refuse	Refuse is free to all residents qualified as indigents in terms of the policy	20.8
Sewer	Sewer is free to all residents qualified as indigents in terms of the policy	16.9
Indigent Support		**62.6**

The cost of indigent benefit to tune of R62.6 million is funded from the equitable share provided by the National Government, which amount is based on the estimated ±21000 number of indigents currently in the Indigent Register.

8. OVERVIEW OF BUDGET RELATED POLICIES OVERVIEW AND AMENDMENTS

The Municipality's budget is guided and governed by relevant legislation and budget related policies. The main purpose of budget related policies is to guide the budget process and inform the projections of the medium-term budget.

The following budget related policies, which have been approved by Council or currently under review, are currently in force to ensure an informed smooth budgetary process and financial management of the Municipality in line with the Municipal Finance Management Act, other relevant legislation and Accounting Standards.

Tariff Policy

The current Tariff Policy, which the municipality adopted in terms of section 74 of the Local Government Municipal Systems Act, is currently being reviewed. The draft policy is still at management discussion and will soon be submitted to the Executive Committee and Council for approval.

Assessment Rates Policy

Section 3(1) of the Local Government Municipal Rates Act, 6 of 2004, and sections 62(1) of the MFMA determines that a municipality must adopt and implement a rates policy on the levying of rates on rateable properties. The policy was approved by Council in the 2009/10 financial for implementation with effect from 01 July 2009.

Credit Control, Debt Collection and Customer Care Policy

This policy is currently being reviewed and the draft was considered as part of the draft budget tabled to Council on 31 March 2010. The Budget and Treasury Office is currently busy identifying revenue enhancement strategies which will be in with the reviewed Credit Control, Debt Collection and Customer Care Policy. The relief measures for indigent consumers are also catered for under this policy.

Supply Chain Management Policy

The municipality has a Supply Chain Management Policy was adopted by Council and is reviewed every year.

Cash Manager and Investment Policy

This policy was approved by Council with effect from January 2008 as required by the MFMA. It was considered unnecessary to further amend the policy during the current budget process.

Asset Management Policy

This policy was approved by Council as required by the MFMA. It was considered unnecessary to further amend the policy during the current budget process. The Budget and Treasury Office is currently busy with the compilation of asset register in terms of GRAP accounting standards, which might result in the Asset Management Policy being reviewed.

Subsistence and Travelling Policy

The Subsistence and Travelling Policy was reviewed and adopted Council on January 2009. The implementation of the subsistence and travelling policy has a budgetary implication in appropriation of funds for travelling, accommodation and meals for Municipal Officials and Councillors embarking on business related trips.
Other new budget-related policies that have been submitted to Council for approval are the following:

Tariff Policy
Debt Write-off Policy
Indigent Policy
Budget Policy
Virement Policy
Funding and Reserve Policy

- Borrowing Policy

- Petty Cash Policy

9. OVERVIEW OF BUDGET ASSUMPTIONS

General Inflation Outlooks and its Impact

The global economy grew by an average of 5% from 2003 to 2007. It was a period of robust expansion but also of widening international imbalances. Over the past six years, our economy has enjoyed rapid growth, rising employment and household income, a major expansion in public services and significant income and asset transfers to the poorest South Africans. However, 2008 saw the gathering of storm clouds as industrialised countries moved into recession into the latter part of the year, interrupting a lengthy spell of sustained, positive growth in national and local economies. South African economy was no exception with the economy slowing sharply. Like other emerging markets we were affected by the looming recession in advanced economies. Our government has, however, adopted a macroeconomic framework and fiscal stance capable of withstanding tough times and protecting the economy during times of global economic turbulence. The Stats SA resulted indicated that South Africa is slowly moving out of recession, however, it is anticipated that challenges caused by recession will take more just a year to re-instate as its impact will remain with South Africa for some time. This has been evidenced by the continuing job losses and employee demands for higher wages and nationwide service delivery protests.

Newcastle Municipality, like and any other municipality, is still subjected to the impact from the global crisis as well as related ripple effects from national economy. The recent hikes in, to mention a few, electricity bulk purchases, fuel, interest rates and inability to feel critical positions in critical industries could not be interpreted in isolation of Newcastle Municipality and did therefore impact negatively on the 2013/14 budget and it will still have a huge effect on the 2013/14 medium term budget.

Budget Guidelines

The following is the extract of the budget guidelines as approved by the Council and which was utilised in preparing the 2013/2014 medium-term budget:

Item Description	2013/14	2014/15	2015/16
Assessment Rates	7%	7%	7%
Electricity tariffs	8%	8%	8%
Water tariffs	7%	7%	7%
Sanitation tariffs	7%	7%	7%
Refuse tariffs	7%	7%	7%
Salaries and allowances	10%	10%	10%
Repairs and Maintenance	6%	6%	6%
General Expenses	4%	4%	4%

All other tariffs, except for electricity, will be increased by only 7% in order to absorb the shortfall on the increase in the electricity purchases.

10. OVERVIEW OF FUNDING THE BUDGET (Including fiscal overview and sources of funding)

Financial Performance Current Year 2012/2013

The adjustment budget was tabled to the Executive Committee and the Council on the 28 February 2013. Below are the highlights of what was approved in the adjustment budget, against what was originally budgeted for:

2012/13 OPERATING ADJUSTMENTS BUDGET

STANDARD ITEM	2012/13 ORIGINAL BUDGET	2012/13 ADJUSTMENTS BUDGET
OPERATIONAL REVENUE PER SOURCE		
PROPERTY RATES	(163,897,309)	(173,945,000)
ELECTRICITY	(502,262,557)	(502,262,557)
WATER	(135,503,989)	(135,503,989)
SANITATION	(78,399,720)	(78,399,720)
REFUSE	(63,504,554)	(63,504,554)
RENTAL OF FACILITIES AND EQUIPMENT	(4,353,352)	(5,354,135)
INTEREST ON INVESTMENT	(16,135,056)	(16,135,056)
INTEREST ON ARREAR ACCOUNTS	-	(70,000,000)
FINES	(2,977,280)	(2,336,534)
LICENCES AND PERMITS	(2,730)	(2,730)
TRANSFERS RECOGNISED-OPERATIONAL	(351,906,415)	(364,463,302)
OTHER REVENUE	(7,795,439)	(7,588,474)
TOTAL OPERATIONAL REVENUE	**(1,326,738,401)**	**(1,419,496,052)**

OPERATIONAL EXPENDITURE BY TYPE

EMPLOYEE RELATED COSTS	262,841,593	271,648,309
COUNCILLORS REMUNERATION	17,728,919	17,816,467
DEBT IMPAIRMENT	83,831,067	83,831,067
DEPRECIATION	229,520,929	229,517,292
FINANCE CHARGES	14,012,360	11,365,968
AGENT FEES	127,115,680	127,555,680
AUDIT FEES	2,904,000	2,904,000
BULK PURCHASES	405,922,740	400,000,000
COLLECTION FEES	11,372,350	12,579,149
CONSULTANTS FEES	10,239,986	19,818,648
OTHER MATERIAL	2,083,706	2,257,567
REPAIRS AND MAINTENANCE	88,577,120	90,989,922
GENERAL EXPENSES	157,846,771	180,129,365
TOTAL OPERATIONAL EXPENDITURE	**1,413,997,221**	**1,450,413,434**
SURPLUS/DEFICIT	**87,258,820**	**30,917,383**

Funding of the 2013/14 Medium-Term Budget

The operating budget of Newcastle Municipality for the 2013/14 financial year will be funded from rates, tariffs, sundry charges and grants and subsidies. Assessment rates and electricity are expected to generate R186.1 million and R567.5 million respectively, while water, sewer and refuse are expected to generate R153.6, R84.4 and R68.6 million respectively. All these tariffs are expected to generate the operating revenue of R1.060 billion (75%) to the Municipality. Electricity tariffs alone represent about 40% of the total operating revenue.

The summary of tariff increases for 2013/14 is as follows:

- Rates : 7%
- Electricity : 7%
- Refuse removal services : 7%
- Water : 7%
- Sanitation : 7%

Increases in the individual tariffs applicable to the above services are detailed in the tariff of schedule attached hereto, together with other proposed sundry tariffs. Sundry tariffs are expected to generate only about R16.4 million, which is about 1.2% of the total revenue.

Grants in the amount R405.2 million have been appropriated in the medium-term operating budget to fund the total budget

The following issues were the challenges in the appropriation of funds when preparing the 2013/14 draft budget:

- Initiatives to improve the current payment factor
- Requirement with regard to upgrading and maintenance of existing roads and other service networks
- Departmental requirements regarding the filling of critical and vacant positions not previously budgeted for
- Provision for Council's liability to reserves

The following is the example of estimated monthly residential rate and tariff per area for the 2013/14 financial year.

AREA	**2012/2013**	**2013/2014**
Newcastle	**Avarage Property**	**Avarage Property**
	542,973.00	542,973.00
Rates	400.47	428.50
Refuse	87.42	93.54
Electricity Basic	125.19	135.20
Electricity Consumption	527.51	569.71
Water Availabity	31.14	33.32
Water Consumption	211.36	226.15
Sewer Availability	149.61	160.08
Vat	158.51	170.52
Total	**1,691.21**	**1,817.04**

Madadeni	Avarage Property	Avarage Property
	99,749.00	99,749.00
Rates	64.28	68.78
Refuse	87.42	93.54
Water Availabity	31.14	33.32
Water Consumption	211.36	226.15
Sewer Availability	149.61	160.08
Vat	67.13	71.83
Total	**610.95**	**653.72**
Osizweni	**Avarage Property**	**Avarage Property**
	82,832.00	82,832.00
Rates	51.45	55.05
Refuse	87.42	93.54
Water Availabity	31.14	33.32
Water Consumption	211.36	226.15
Sewer Availability	149.61	160.08
Vat	67.13	71.83
Total	**598.12**	**639.99**
Charlestown	**Avarage Property**	**Avarage Property**
	108,328.00	108,328.00
Rates	-	-
Refuse	87.42	93.54
Water Availabity	31.14	33.32
Water Consumption	211.36	226.15
Sewer Availability		

	149.61	160.08
Vat	67.13	71.83
Total	**546.67**	**584.94**
Ingagane	**Avarage Property**	**Avarage Property**
	410,109.00	410,109.00
Rates	299.69	320.67
Refuse	87.42	93.54
Water Availabity	31.14	33.32
Water Consumption	211.36	226.15
Sewer Availability	149.61	160.08
Vat	67.13	71.83
Total	**846.36**	**905.60**
Kilbarchan	**Avarage Property**	**Avarage Property**
	297,092.00	297,092.00
Rates	213.97	228.94
Refuse	87.42	93.54
Water Availabity	31.14	33.32
Water Consumption	211.36	226.15
Sewer Availability	149.61	160.08
Vat	67.13	71.83
Total	**760.63**	**813.88**
KwaMathukuza	**Avarage Property**	**Avarage Property**
	42,615.00	42,615.00
Rates	20.95	22.41
Refuse	87.42	93.54

Water Availabity	31.14	33.32
Water Consumption	211.36	226.15
Sewer Availability	149.61	160.08
Vat	67.13	71.83
Total	**567.61**	**607.35**

Assumptions made with regard to:

Water consumption	:	28 kl per month
Electricity consumption	:	750 kWh per month
Property values	:	Average values per area, as per valuation roll, have been used *(Note: The first R15, 000 of all properties is exempt from rates in terms of the rates policy)*

Funding of 2013/14 Medium-Term Capital Budget

In line with section 18 of the MFMA, the capital budget has been funded from the following funding sources:

Grants: National Government	R 136.5 million
Accumulated Surplus (cash-backed)	R 110.8 million
External Loans	R 162.4 million

Investments

The following investments exist for Newcastle Municipality. A portion of cash-backed investments (R35 million) will fund capital budget, while interest received (R16 million) will boast the operating revenue. A schedule of Municipal Investment is as per SA16 of the Schedule A.

National and Provincial Government Transfers

The National and Provincial grants allocation will be used to fund larger portions of the operating expenditure as well as the capital expenditure. These have been gazetted in terms of the 2013 Division of Revenue Act.

For Grant allocations, please refer to SA18 of Schedule A.

New Borrowings

Certain major capital projects amounting to 162.4 million will be funded from an external loan. Refer from SA17 of Schedule A.

11. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

Grants and subsidies from National and Provincial governments, as reported in the 2013 Division of Revenue Act and reflected in SA 19, have been included the 2013/14 budget and each allocation will utilised for the purpose as described below.

National Grant Allocations

Equitable Share

The equitable share is an unconditional grant and as such can be regarded as general revenue, however, it is a matter of co-operative governance that municipalities should prioritise its expenditure budget towards poor households and national priorities like free basic services.

Reform in the local government grants system for 2005/2006 saw the introduction of new equitable share formulae for local government.

Municipal Infrastructural Grant (MIG)

The Municipal Infrastructural Grant (MIG) is entering its ninth year of implementation in the 2013/14 financial year. It resulted from the consolidation of various capital grants for municipal infrastructure (CMIP, Water Services Projects, CBPWP, LEDF, BSRP and the Urban Transport Fund) into a new funding arrangement.

The Municipal Infrastructural Grant is a conditional grant which gives effect to national objectives to:

- Expand the delivery of basic services to all households, including the delivery of free basic services to poor households and other poverty alleviating objectives.
- Stimulate local economic development and job creation over the medium term.

The MIG funding will be utilised for the construction and upgrading roads and sewer projects in areas falling within Newcastle Municipality. It should be noted that Council is required to counter fund some of the projects.

Finance Management Grant

The Finance Management Grant is a capacity building grant provided by National Treasury to assist municipalities in building management planning, technical and financial management skills and capacity for effective service delivery.

It will be utilised for the upgrading of skills and capacity of Newcastle Finance officials for workshops and training programmes, funding financial programmes with a view to capacitate financial systems, as well as for the remuneration of the interns currently employed by the municipality and cover costs of their training and its facilities. There are currently four interns employed, and the activities are in place to appoint the fifth one, as per National Treasury guide.

Water Operating Subsidy

The Water Operating Subsidy is the capital grant provided by the Department of Water Affairs and Forestry to subsidise water schemes owned and/or operated by the department or other agencies on behalf of the department. Projects funded through this grant are implemented by the uThukela Water (Pty) Ltd but Newcastle Municipality will only administer the funds of the project(s).

Municipal Systems Improvement Grant

This grant is provided by the Department of Cooperative Governance and Traditional Affairs to assist municipalities to build in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Local Government Systems Act, 2000 and other related legislation.

The grant may be apportioned for, depending on the submitted and approved activity plan, the engagement of ward committees, IDP review processes, implementation of Municipal Property Rates Act and GRAP conversion requirements

Neighbouring Development Partnership

This grant was established by National Treasury to support neighbouring development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods, generally townships.

The Technical Assistance Grant aims at supporting the development of township development plans. This is an indirect grant and not be transferred directly to Newcastle Municipality. The Capital Grant aims at supporting nodal investment into the construction or upgrading of community facilities, which may attract private sector investment. This is an indirect allocation which will be transferred by National Treasury directly to the service provider or the implementing agent.

National Electrification Programme (Eskom)

The National Electrification Programme grant is transferred by the Department of Minerals and Energy directly to Eskom to implement integrated electrification programmes by addressing electrification backlogs of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.

Hence, the grant will be transferred to Eskom to address the electrification infrastructure backlog within the jurisdiction of Newcastle Municipality.

Provincial Grant Allocations

Museum subsidy

The funding is made available by KZN Premier's office to provide strategic financial support to municipalities with a focus on the development and maintenance of museums and care and preservation of cultural heritage.

Library Recapitalisation

The subsidy is provided to improve library services.

12. ALLOCATIONS AND GRANTS MADE BY NEWCASTLE MUNICIPALITY

None. Please refer to SA 21 of Schedule A.

13. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Please refer to SA22 and SA24 of Schedule A

14. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOWS (Table 15a)

Please refer to SA25 to SA30 of Schedule A

15. ANNUAL BUDGET AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN – INTERNAL DEPARTMENTS

The annual budget is as per attached Scheduled A, which is Annexure A and the draft SDBIP will be submitted separately.

16. ANNUAL BUDGET AND SERVICE DELIVERY AGREEMENTS – MUNICIPAL ENTITIES AND OTHER EXTERNAL MECHANISMS

Municipal Entities

The agreement in currently in force in the following brief details:

(a)	Name of Entity	: Uthukela Water (Pty) Ltd
(b)	Period of agreement	: 30 years
(c)	Service provided	: Water and sanitation
(d)	Expiry date	: 24 May 2034

The Entity is currently under Provincial Administration and being investigated in terms of section 78 of the Municipal Systems Management Act, 32 of 2000.

Other Agreements

The service delivery agreement with Bigen Africa (Pty) Ltd to perform the Debt Collection and Credit Control function of the Municipality expired on 1 July 2007. Council, however, resolved to extend the contract on a month to month basis.

The Council will have to assess all options available with regard to the continuation of the function ensuring that all processes currently in place are not disturbed. Should the legal and non-legal processes not continue, the negative impact on the cash flow of the Municipality will filter through to the level of service delivery supplied by Council. This will be addressed once the revenue enhancement strategies have been identified.

17. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

It is envisaged at this stage that no contract will have budgetary implications beyond a period of three years. The contract between the Newcastle Municipality and the Water Service Provider, Uthukela Water, is still in the hands of Provincial Executive for the Department of Cooperative Governance and Traditional Affairs.

No other contracts, which will have budgetary implications beyond a period of three years, have been provided for in the 2013/14 medium-term budget.

Please refer to SA35 of Schedule A

18. CAPITAL EXPENDITURE DETAILS

Please refer to SA36 of Schedule A

19. LEGISLATION COMPLIANCE STATUS

Municipal Finance Management Act

The Municipal Finance Management Act, No. 56 of 2003 came into effect on 1 July 2004. The Newcastle Municipality was identified as a High Level Municipality, and as such had the responsibility of implementing the Act with few exemptions/delays allowed. The following main processes have been implemented in terms of the Municipal Finance Management Act:

- The budget process.
- Supply Chain Management.
- Conversion of Financial Statements to GAMAP/GRAP.
- Financial in-year reporting.
- Adjustment budgeting
- Annual reporting.
- Compilation and implementation of various policies.
- Compilation of procedural notes for main financial accounting processes.
- The budget and Treasury office has been established in accordance with the requirements
- Service Delivery and Budget Implementation plans are applied as monitoring tools
- Audit Committee has been established

Municipal Property Rates Act

The 2008/09 was a challenging budget year for Newcastle Municipality, with 01 July 2009 being the compulsory date of first implementation of the Act and drafting of the rates policy. To this end, the municipality is currently implementing the approved policy and has produced three further valuation rolls. The objective process has be finalised and Municipality is busy the two appeals.

Compliance with Circular 51: Municipal Budget and Reporting Regulations

In order to achieve a smooth transition into the new Budget Format and Reporting Regulations but not compromising Council's understanding of its budget, both budget tables prepared in terms of circular 28 and tabled prepared in terms of Gazette 32141 have been included. It is however brought to Council's attention that in terms of this Gazette, the budget will now be prepared to comply with the requirements of the newly enacted Municipal Budget and Reporting Regulations. It for this reason that Council is urged to acquaint itself with the format, since Council will be expected to scrutinize and approved the budget prepared only in terms of Gazette 32141 in the next financial year.

Other Legislation

Newcastle Municipality has complied with a number of other legislation, including the Local Government Municipal Systems Act, gazettes and circulars issued by Treasuries on a continuous basis.

20. ANNUAL BUDGET OF MUNICIPAL ENTITY ATTACHED TO THE MUNICIPALITY'S ANNUAL BUDGET

The budget of the Entity Uthukela is attached hereto for Council consideration. The approved operating budget for the Entity amounts to R120 million.

21. DETAILED OPERATING AND CAPITAL BUDGET (ANNEXURE B)

22. MUNICIPAL MANAGER'S QUALITY CERTFICATE

I, **K Masange**, Municipal Manager of **Newcastle Municipality**, hereby certify that the annual budget and supporting documentation of the 2013/14 Operating and Capital Budget have been prepared in accordance with the Municipal Finance Management Act, 56 of 2003, and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name : KEBONE MASANGE

Municipal Manager of : NEWCASTLE MUNICIPALITY

Signature : .....

Date : ...10/06/2013.....

ANNEXURE A

BUDGET TABLES AND RELATED CHARTS

A1 SCHEDULE

KZN252 Newcastle - Table A1 Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	124 666	152 387	157 893	165 186	165 186	165 186	165 186	186 121	199 150	213 090
Service charges	526 828	654 083	733 698	779 671	779 671	779 671	779 671	874 211	935 406	1 003 088
Investment revenue	26 710	25 091	23 096	16 135	16 135	16 135	16 135	17 436	19 179	21 097
Transfers recognised - operational	232 856	324 241	353 567	352 296	364 463	364 463	364 463	290 201	295 991	306 425
Other own revenue	378 486	10 592	177 869	14 739	85 282	85 282	85 282	46 361	50 119	54 164
Total Revenue (excluding capital transfers and contributions)	1 289 546	1 166 394	1 446 124	1 328 027	1 410 737	1 410 737	1 410 737	1 414 350	1 499 845	1 597 865
Employee costs	183 828	189 472	230 601	260 220	271 648	271 648	271 648	294 220	311 164	331 078
Remuneration of councillors	17 982	14 786	16 193	16 872	17 816	17 816	17 816	19 030	20 362	21 787
Depreciation & asset impairment	224 590	222 123	217 908	229 530	229 517	229 517	229 517	229 530	230 747	232 929
Finance charges	6 587	5 867	6 650	14 468	11 366	11 366	11 366	16 366	16 804	17 260
Materials and bulk purchases	219 348	283 223	349 411	405 923	402 258	402 258	402 258	402 411	430 508	460 459
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	283 138	606 691	335 113	487 006	517 808	517 808	517 808	541 904	565 450	599 625
Total Expenditure	935 472	1 322 161	1 155 876	1 414 019	1 450 413	1 450 413	1 450 413	1 503 460	1 575 036	1 663 138
Surplus/(Deficit)	354 074	(155 767)	290 247	(85 992)	(39 677)	(39 677)	(39 677)	(89 110)	(75 192)	(65 273)
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed asset	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & *contributions*	354 074	(155 767)	290 247	(85 992)	(39 677)	(39 677)	(39 677)	(89 110)	(75 192)	(65 273)
Share of surplus/ (deficit) of associate	–	(79 403)	(89 128)	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	354 074	(235 170)	201 120	(85 992)	(39 677)	(39 677)	(39 677)	(89 110)	(75 192)	(65 273)
Capital expenditure & funds sources										
Capital expenditure	100 806	142 119	153 912	305 418	331 203	331 203	331 203	409 229	417 279	223 650
Transfers recognised - capital	–	82 236	141 740	112 234	120 708	120 708	120 708	130 012	180 390	142 838
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	14 487	61 493	113 300	87 534	87 534	87 534	165 417	–	–
Internally generated funds	–	108 960	99 780	79 884	122 961	122 961	122 961	110 800	236 889	80 812
Total sources of capital funds	–	205 684	303 013	305 418	331 203	331 203	331 203	406 229	417 279	223 650
Financial position										
Total current assets	654 051	595 850	850 029	1 166 876	1 166 876	1 166 876	1 166 909	1 231 226	1 169 907	1 297 146
Total non current assets	2 465 262	2 501 016	2 485 328	2 510 948	2 536 933	2 536 933	2 536 933	2 943 819	3 336 881	3 548 349
Total current liabilities	183 420	115 819	235 963	150 864	150 866	150 866	150 866	142 525	142 525	142 525
Total non current liabilities	182 334	168 243	159 181	235 901	235 901	235 901	235 901	281 595	254 376	227 157
Community wealth/Equity	2 753 559	2 812 803	2 940 214	3 291 059	3 317 042	3 317 042	3 317 075	3 750 924	4 109 867	4 475 814
Cash flows										
Net cash from (used) operating	255 507	255 162	190 185	(1 475)	273 354	273 354	273 354	213 102	139 261	130 830
Net cash from (used) investing	(105 813)	(270 066)	(148 984)	241	241	241	241	(409 699)	(394 279)	(213 650)
Net cash from (used) financing	6 509	(16 470)	17 821	85 726	85 726	85 726	85 726	138 198	(27 219)	(27 219)
Cash/cash equivalents at the year end	156 203	124 830	183 851	516 788	791 617	791 617	791 617	289 116	6 879	(103 160)
Cash backing/surplus reconciliation										
Cash and investments available	422 121	381 528	432 267	432 296	432 296	432 296	432 296	289 116	6 879	(103 160)
Application of cash and investments	(34 937)	(72 414)	(69 088)	(469 692)	(439 667)	(439 667)	(439 693)	(643 136)	(829 004)	(1 030 139)
Balance - surplus (shortfall)	457 058	453 941	501 355	901 988	871 963	871 963	871 989	932 252	835 883	926 979
Asset management										
Asset register summary (WDV)	1 347 564	1 508 618	1 480 362	1 585 576	1 686 208	216 876	1 865 889	1 865 889	1 876 892	1 885 717
Depreciation & asset impairment	224 590	222 123	217 908	229 530	229 517	229 517	229 530	229 530	230 747	232 929
Renewal of Existing Assets	1 457 798	1 353 569	181 897	264 981	312 994	312 994	312 994	317 865	394 529	215 550
Repairs and Maintenance	–	66 625	78 011	88 577	90 990	90 990	92 216	92 216	93 701	98 575
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	7 431	6 909	9 910	61 808	61 808	61 808	63 199	63 199	67 554	72 211
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

KZN252 Newcastle - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard										
Governance and administration		**598 097**	**312 914**	**448 545**	**315 579**	**396 632**	**396 632**	**383 390**	**408 642**	**433 192**
Executive and council		331 868	36 656	166 272	27 599	27 599	27 599	30 930	32 465	34 995
Budget and treasury office		185 386	182 884	185 917	195 036	275 083	275 083	252 634	267 210	284 942
Corporate services		80 844	93 474	96 356	93 945	93 950	93 950	99 826	108 967	113 255
Community and public safety		**9 161**	**6 594**	**27 478**	**9 907**	**19 769**	**19 769**	**14 810**	**15 948**	**16 141**
Community and social services		2 329	2 250	4 304	5 390	6 361	6 361	8 750	9 282	8 808
Sport and recreation		–	–	1 112	1 525	1 009	1 009	533	586	644
Public safety		2 380	2 390	1 382	9	2 042	2 042	2 246	2 471	2 718
Housing		4 450	1 953	20 680	2 982	10 355	10 355	3 280	3 608	3 968
Health		1	1	1	1	1	1	2	2	2
Economic and environmental services		**66 391**	**57 222**	**75 019**	**57 467**	**60 523**	**60 523**	**3 290**	**2 478**	**2 395**
Planning and development		4 345	5 545	18 377	9 337	9 337	9 337	481	829	582
Road transport		62 046	51 677	56 642	48 129	51 186	51 186	2 809	1 649	1 814
Environmental protection		0	0	0	–	–	–	–	–	–
Trading services		**615 813**	**789 656**	**895 273**	**942 673**	**942 459**	**942 459**	**1 012 737**	**1 072 641**	**1 145 988**
Electricity		302 265	393 656	480 859	524 513	524 312	524 312	583 480	621 304	664 500
Water		148 073	201 648	202 807	204 049	204 036	204 036	181 504	196 358	209 172
Waste water management		98 118	114 651	121 210	125 426	125 426	125 426	149 290	152 510	161 339
Waste management		67 357	79 702	90 396	88 685	88 685	88 685	98 464	102 469	110 977
Other	4	**85**	**99**	**108**	**112**	**112**	**112**	**123**	**136**	**149**
Total Revenue - Standard	2	**1 289 546**	**1 166 485**	**1 446 424**	**1 326 738**	**1 419 496**	**1 419 496**	**1 414 350**	**1 499 845**	**1 597 865**
Expenditure - Standard										
Governance and administration		**274 083**	**214 803**	**258 105**	**155 662**	**187 051**	**187 051**	**220 162**	**242 985**	**257 789**
Executive and council		119 819	79 527	167 124	59 969	68 894	68 894	84 313	92 988	99 556
Budget and treasury office		14 282	29 613	40 494	36 513	43 970	43 970	49 031	58 285	60 162
Corporate services		139 982	105 663	50 487	59 181	74 187	74 187	86 817	91 713	98 071
Community and public safety		**88 739**	**93 242**	**130 348**	**142 700**	**161 335**	**161 335**	**160 338**	**188 240**	**205 344**
Community and social services		13 075	13 967	29 920	35 404	49 022	49 022	50 530	59 700	65 032
Sport and recreation		28 226	31 397	30 110	35 718	36 055	36 055	34 268	41 047	45 568
Public safety		31 955	32 589	36 775	50 484	48 490	48 490	51 466	61 246	66 564
Housing		12 325	12 328	30 847	17 224	23 889	23 889	22 100	23 780	25 543
Health		3 158	2 961	2 696	3 870	3 879	3 879	1 974	2 468	2 637
Economic and environmental services		**90 208**	**342 059**	**78 946**	**335 538**	**324 362**	**324 362**	**329 926**	**288 990**	**289 223**
Planning and development		16 701	22 578	23 754	28 559	29 158	29 158	35 459	37 594	40 468
Road transport		72 752	319 444	55 155	306 901	295 127	295 127	294 411	251 339	248 696
Environmental protection		756	37	37	77	77	77	55	57	60
Trading services		**482 040**	**671 637**	**688 021**	**779 546**	**777 101**	**777 101**	**792 361**	**854 117**	**910 043**
Electricity		252 958	322 055	397 472	461 648	459 381	459 381	467 828	490 053	520 286
Water		136 705	230 625	180 234	190 486	183 289	183 289	185 437	206 442	220 780
Waste water management		30 118	45 001	29 638	41 252	44 817	44 817	46 137	49 332	52 248
Waste management		62 259	73 957	80 677	86 160	89 614	89 614	92 958	108 290	116 730
Other	4	**402**	**421**	**456**	**573**	**565**	**565**	**574**	**702**	**739**
Total Expenditure - Standard	3	**935 472**	**1 322 161**	**1 155 876**	**1 414 019**	**1 450 414**	**1 450 414**	**1 503 460**	**1 575 035**	**1 663 138**
Surplus/(Deficit) for the year		**354 074**	**(155 677)**	**290 548**	**(87 280)**	**(30 918)**	**(30 918)**	**(89 110)**	**(75 190)**	**(65 273)**

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes

2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)

3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)

4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

KZN252 Newcastle - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard										
Municipal governance and administration		**598 097**	**312 914**	**448 545**	**316 579**	**396 632**	**396 632**	**383 390**	**408 642**	**433 192**
Executive and council		331 868	36 556	166 272	27 599	27 599	27 599	30 930	32 465	34 995
Mayor and Council		331 744	36 556	166 272	27 599	27 599	27 599	30 930	32 465	34 995
Municipal Manager		124								
Budget and treasury office		185 386	182 884	185 917	195 036	275 083	275 083	252 634	267 210	284 942
Corporate services		80 844	93 474	96 356	93 945	93 950	93 950	99 826	108 967	113 255
Human Resources		812		2 608	1 320	1 320	1 320	1 679	1 679	1 679
Information Technology		–								
Property Services		62 104	88 104	93 091		91 830	91 830	97 257	106 355	110 609
Other Admin		17 928	5 370	657	92 625	800	800	890	934	967
Community and public safety		**9 161**	**6 594**	**27 478**	**9 907**	**19 769**	**19 769**	**14 810**	**15 948**	**18 141**
Community and social services		**2 329**	**2 250**	**4 304**	**5 390**	**6 361**	**6 361**	**8 750**	**9 282**	**8 808**
Libraries and Archives		612	603	2 534	2 845	2 826	2 826	5 399	5 708	5 992
Museums & Art Galleries etc		68	64	219	658	1 658	1 658	1 286	1 302	317
Community halls and Facilities		385	284	327	406	406	406	446	491	540
Cemeteries & Crematoriums		1 265	1 299	1 223	1 481	1 472	1 472	1 619	1 781	1 959
Child Care										
Aged Care										
Other Community										
Other Social										
Sport and recreation				1 112	1 525	1 009	1 009	533	586	644
Public safety		**2 380**	**2 390**	**1 382**	**9**	**2 042**	**2 042**	**2 246**	**2 471**	**2 718**
Police										
Fire		2 380	1	10	9	9	9	9	10	11
Civil Defence		–								
Street Lighting		–								
Other			2 389	1 371		2 034	2 034	2 237	2 461	2 707
Housing		**4 450**	**1 953**	**20 680**	**2 982**	**10 355**	**10 355**	**3 280**	**3 608**	**3 968**
Health		**1**	**1**	**1**	**1**	**1**	**1**	**2**	**2**	**2**
Clinics		–								
Ambulance										
Other		1	1	1	1	1	1	2	2	2
Economic and environmental services		**66 391**	**57 222**	**75 019**	**57 467**	**60 523**	**60 523**	**3 290**	**2 478**	**2 395**
Planning and development		**4 345**	**5 545**	**18 377**	**9 337**	**9 337**	**9 337**	**481**	**829**	**582**
Economic Development/Planning		856	493							
Town Planning/Building		3 465	5 025	18 348	9 314	9 337	9 337	481	829	582
Licensing & Regulation		25	26	29	23					
Road transport		**62 046**	**51 677**	**56 642**	**48 129**	**51 186**	**51 186**	**2 809**	**1 649**	**1 814**
Roads		60 953	50 904	56 088	45 104	49 836	49 836	1 325	16	18
Public Buses										
Parking Garages				555	289	349	349	384	423	465
Vehicle Licensing and Testing										
Other		1 093	774		2 737	1 000	1 000	1 100	1 210	1 331
Environmental protection		**0**	**0**	**0**	**–**	**–**	**–**	**–**	**–**	**–**
Pollution Control										
Biodiversity & Landscape		0	0	0						
Other		–								
Trading services		**615 813**	**789 656**	**895 273**	**942 673**	**942 459**	**942 459**	**1 012 737**	**1 072 641**	**1 145 988**
Electricity		**302 265**	**393 656**	**480 859**	**524 513**	**524 312**	**524 312**	**583 480**	**621 304**	**664 500**
Electricity Distribution		302 265	393 656	480 859	524 513	524 312	524 312	583 480	621 304	664 500
Electricity Generation										
Water		**148 073**	**201 648**	**202 807**	**204 049**	**204 036**	**204 036**	**181 504**	**196 358**	**209 172**
Water Distribution		148 073	201 648	202 807	204 049	204 036	204 036	181 504	196 358	209 172
Water Storage										
Waste water management		**98 118**	**114 651**	**121 210**	**125 426**	**125 426**	**125 426**	**149 290**	**152 510**	**161 339**
Sewerage		98 118	114 651	121 210	125 426	125 426	125 426	149 290	152 510	161 339
Storm Water Management										
Public Toilets										
Waste management		**67 357**	**79 702**	**90 396**	**88 685**	**88 685**	**88 685**	**98 464**	**102 469**	**110 977**
Solid Waste		67 357	79 702	90 396	88 685	88 685	88 685	98 464	102 469	110 977
Other		**85**	**99**	**108**	**112**	**112**	**112**	**123**	**136**	**149**
Air Transport		85	99	108	112	112	112	123	136	149
Abattoirs										
Tourism										
Forestry										
Markets										
Total Revenue - Standard	2	**1 289 546**	**1 166 485**	**1 446 424**	**1 326 738**	**1 419 496**	**1 419 496**	**1 414 350**	**1 499 845**	**1 597 865**
Expenditure - Standard										
Municipal governance and administration		**274 083**	**214 803**	**258 105**	**155 662**	**187 051**	**187 051**	**220 162**	**242 985**	**257 789**
Executive and council		119 819	79 527	167 124	59 969	68 894	68 894	84 313	92 988	99 556
Mayor and Council		106 074	61 888	144 426	24 941	33 780	33 780	39 891	44 219	47 968
Municipal Manager		13 745	17 639	22 698	35 028	35 115	35 115	44 422	48 769	51 588
Budget and treasury office		14 282	29 613	40 494	36 513	43 970	43 970	49 031	58 285	60 162
Corporate services		139 982	105 663	50 487	59 181	74 187	74 187	86 817	91 713	98 071
Human Resources		6 284	7 896	13 001	14 556	14 681	14 681	18 259	21 074	22 823
Information Technology		1 137	2	991	4 689	4 489	4 489	5 966	6 899	7 432
Property Services		93 003	58 839	17 796		36 628	36 628	39 501	42 443	45 496
Other Admin		39 558	38 926	18 700	39 936	18 388	18 388	23 091	21 296	22 319
Community and public safety		**88 739**	**93 242**	**130 348**	**142 700**	**161 335**	**161 335**	**160 338**	**188 240**	**205 344**
Community and social services		**13 075**	**13 967**	**29 920**	**35 404**	**49 022**	**49 022**	**50 530**	**59 700**	**65 032**
Libraries and Archives		6 823	7 107	7 953	13 724	13 587	13 587	13 844	16 594	18 176
Museums & Art Galleries etc		1 010	1 071	1 352	2 266	2 149	2 149	2 053	2 425	2 626
Community halls and Facilities		3 149	2 585	3 273	12 856	6 372	6 372	6 027	6 997	7 609

Cemeteries & Crematoriums		2 093	2 392	2 388	3 674	3 472	3 472	3 545	4 001	4 247
Child Care										
Aged Care										
Other Community			812	14 955	2 884	23 441	23 441	25 060	29 683	32 374
Other Social										
Sport and recreation		28 226	31 397	30 110	35 718	36 055	36 055	34 268	41 047	45 568
Public safety		**31 955**	**32 589**	**36 775**	**50 484**	**48 490**	**48 490**	**51 466**	**61 246**	**66 564**
Police										
Fire		24 637	14 667	15 068	18 926	20 240	20 240	18 006	22 267	24 234
Civil Defence		896	1 008	1 008	1 195	1 195	1 195	1 237	1 293	1 345
Street Lighting		6 422	6 088	9 197	7 037	6 647	6 647	10 120	10 838	11 647
Other			10 826	11 502	23 326	20 407	20 407	22 103	26 847	29 338
Housing		**12 325**	**12 328**	**30 847**	**17 224**	**23 889**	**23 889**	**22 100**	**23 780**	**25 543**
Health		**3 158**	**2 961**	**2 696**	**3 870**	**3 879**	**3 879**	**1 974**	**2 468**	**2 637**
Clinics		1 076	423	450	1 177	1 177	1 177	169	299	349
Ambulance										
Other		2 082	2 538	2 246	2 693	2 702	2 702	1 805	2 169	2 289
Economic and environmental services		**90 208**	**342 059**	**78 946**	**335 538**	**324 362**	**324 362**	**329 926**	**288 990**	**289 223**
Planning and development		**16 701**	**22 578**	**23 754**	**28 559**	**29 158**	**29 158**	**35 459**	**37 594**	**40 488**
Economic Development/Planning		3 138	4 540	8 462	7 699	7 702	7 702	8 954	8 309	8 859
Town Planning/Building		13 173	17 515	14 660	19 930	20 527	20 527	24 617	28 209	30 432
Licensing & Regulation		390	523	632	930	930	930	1 888	1 075	1 177
Road transport		**72 752**	**319 444**	**55 155**	**306 901**	**295 127**	**295 127**	**294 411**	**251 339**	**248 696**
Roads		69 884	316 789	52 755	261 060	289 163	289 163	285 538	241 211	237 701
Public Buses										
Parking Garages				577	2 673	2 633	2 633	2 772	2 966	3 167
Vehicle Licensing and Testing										
Other		2 868	2 655	1 823	43 168	3 331	3 331	6 101	7 161	7 828
Environmental protection		**756**	**37**	**37**	**77**	**77**	**77**	**55**	**57**	**60**
Pollution Control										
Biodiversity & Landscape		39	37	37	77	77	77	55	57	60
Other		717								
Trading services		**482 040**	**671 637**	**688 021**	**779 546**	**777 101**	**777 101**	**792 361**	**854 117**	**910 043**
Electricity		**252 958**	**322 055**	**397 472**	**461 648**	**459 381**	**459 381**	**467 828**	**490 053**	**520 286**
Electricity Distribution		252 958	322 055	397 472	461 648	459 381	459 381	467 828	490 053	520 286
Electricity Generation										
Water		**136 705**	**230 625**	**180 234**	**190 486**	**183 289**	**183 289**	**185 437**	**206 442**	**220 780**
Water Distribution		136 633	230 608	180 234	190 483	183 212	183 212	185 396	206 400	220 738
Water Storage		72	17		2	77	77	41	41	41
Waste water management		**30 118**	**45 001**	**29 638**	**41 252**	**44 817**	**44 817**	**46 137**	**49 332**	**52 248**
Sewerage		28 326	43 222	27 778	39 490	43 028	43 028	44 498	47 282	50 247
Storm Water Management										
Public Toilets		1 792	1 779	1 860	1 762	1 789	1 789	1 639	2 051	2 001
Waste management		**62 259**	**73 957**	**80 677**	**86 160**	**89 614**	**89 614**	**92 958**	**108 290**	**116 730**
Solid Waste		62 259	73 957	80 677	86 160	89 614	89 614	92 958	108 290	116 730
Other		**402**	**421**	**456**	**573**	**565**	**565**	**674**	**702**	**739**
Air Transport		402	421	456	573	565	565	674	702	739
Abattoirs										
Tourism										
Forestry										
Markets										
Total Expenditure - Standard	3	**935 472**	**1 322 161**	**1 155 878**	**1 414 019**	**1 450 414**	**1 450 414**	**1 503 460**	**1 575 035**	**1 663 138**
Surplus/(Deficit) for the year		**354 074**	**(155 677)**	**290 548**	**(87 280)**	**(30 918)**	**(30 918)**	**(89 110)**	**(75 190)**	**(65 273)**

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison

2. Total Revenue by Standard Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)

3. Total Expenditure by Standard Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)

4. All amounts must be classified under a Standard (modified GFS) classification. The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

check oprev balance	*507*	*90 636*	*300 422*	*-1 288 483*	*8 759 210*	*8 759 210*	*131*	*243*	*251*
check opexp balance	*2*	*113*	*26*	*22*	*320*	*320*	*1*	*-882*	*358*

KZN252 Newcastle - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - CORPORATE SERVICES		394 505	123 840	262 328	121 544	121 549	121 549	130 756	141 433	148 250
Vote 2 - COMMUNITY SERVICES		73 350	85 839	97 750	98 771	98 448	98 448	110 379	116 233	123 614
Vote 3 - BUDGET AND TREASURY OFFICE		185 386	182 884	185 917	195 036	275 083	275 083	252 634	267 210	284 943
Vote 4 - MUNICIPAL MANAGER		135	–	–	–	–	–	–	–	–
Vote 5 - PLANNING DEVELOPMENT AND HUMAN SETT		8 770	7 471	39 164	19 805	19 805	19 805	3 884	4 572	4 699
Vote 6 - TECHNICAL SERVICES		627 401	766 359	860 965	899 092	904 611	904 611	916 698	971 397	1 036 359
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**1 289 546**	**1 166 394**	**1 446 124**	**1 334 247**	**1 419 496**	**1 419 496**	**1 414 350**	**1 499 845**	**1 597 865**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - CORPORATE SERVICES		363 536	129 796	180 398	90 795	93 406	93 406	106 082	111 837	119 841
Vote 2 - COMMUNITY SERVICES		148 377	166 621	173 984	224 236	227 985	227 985	228 647	270 404	293 788
Vote 3 - BUDGET AND TREASURY OFFICE		16 657	29 613	40 494	36 513	43 970	43 970	49 031	58 285	60 162
Vote 4 - MUNICIPAL MANAGER		14 869	23 249	29 263	35 028	40 107	40 107	52 051	57 598	61 135
Vote 5 - PLANNING DEVELOPMENT AND HUMAN SETT		28 631	34 383	55 057	44 882	53 612	53 612	58 734	62 626	67 350
Vote 6 - TECHNICAL SERVICES		363 402	938 499	676 681	983 899	991 334	991 334	1 008 916	1 014 285	1 060 861
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**935 472**	**1 322 161**	**1 155 876**	**1 415 353**	**1 450 413**	**1 450 413**	**1 503 460**	**1 575 035**	**1 663 138**
Surplus/(Deficit) for the year	2	**354 074**	**(155 768)**	**290 248**	**(81 106)**	**(30 917)**	**(30 917)**	**(89 110)**	**(75 190)**	**(65 273)**

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure

2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)

3. Assign share in 'associate' to relevant Vote

KZN252 Newcastle - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - CORPORATE SERVICES		**394 505**	**123 840**	**262 328**	**121 544**	**121 549**	**121 549**	**130 756**	**141 433**	**148 250**
1.1 - Administration		393 693	123 840	259 721	120 223	120 229	120 229	129 077	139 754	146 572
1.2 - Human Resource		812		2 608	1 320	1 320	1 320	1 679	1 679	1 679
Vote 2 - COMMUNITY SERVICES		**73 350**	**85 839**	**97 750**	**98 771**	**98 448**	**98 448**	**110 379**	**115 233**	**123 614**
2.1 - Culture and Amenities		2 856	3 078	5 416	7 027	7 370	7 370	9 283	9 868	9 452
2.2 - Other Community Services		70 494	82 761	92 334	91 744	91 078	91 078	101 096	105 365	114 162
Vote 3 - BUDGET AND TREASURY OFFICE		**185 386**	**182 884**	**185 917**	**195 036**	**275 083**	**275 083**	**252 634**	**267 210**	**284 943**
3.1 - Financial Services		185 386	182 884	185 917	195 035	275 083	275 083	252 633	267 209	284 942
3.2 - Data Processing		–	0		1	1	1	1	1	1
3.3 - Supply Chain Unit		–								
Vote 4 - MUNICIPAL MANAGER		**135**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
4.1 - Municipal Manager		8			–					
4.2 - Internal Audit Unit		–			–					
4.3 - Intergrated Development Planning		124			–					
4.4 - Legal Services		–			–					
4.5 - Mayoral Office		–			–					
4.6 - Public Relations Office		3			–					
4.7 - Governance Unit		–			–					
4.8 - Performance Management										
Vote 5 - PLANNING DEVELOPMENT AND HUMAN SET		**8 770**	**7 471**	**39 164**	**19 805**	**19 805**	**19 805**	**3 884**	**4 572**	**4 699**
5.1 - Economic Development		3 465	5 025	137	135	135	135	149	464	180
5.2 - Housing and Land		4 450	1 953	20 680	10 355	10 355	10 355	3 280	3 608	3 968
5.3 - Town Planning		856	493	18 348	9 314	9 314	9 314	455	501	551
Vote 6 - TECHNICAL SERVICES		**627 401**	**766 359**	**860 965**	**899 092**	**904 611**	**904 611**	**916 698**	**971 397**	**1 036 359**
6.1 - Civil Services		227 018	56 405	380 105	45 104	50 809	380 298	2 394	1 193	1 312
6.2 - Electrical Services		302 265	393 656	480 859	524 513	524 312	524 312	583 480	621 304	664 499
6.3 - Water and Sanitation		98 118	316 299		329 475	329 490	–	330 823	348 900	370 548
Vote 7 - [NAME OF VOTE 7]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
7.1 - [Name of sub-vote]										
Vote 8 - [NAME OF VOTE 8]		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
8.1 - [Name of sub-vote]										

KZN252 Newcastle - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
9.1 - [Name of sub-vote]										
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
10.1 - [Name of sub-vote]										
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
11.1 - [Name of sub-vote]										
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
12.1 - [Name of sub-vote]										
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
13.1 - [Name of sub-vote]										
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
14.1 - [Name of sub-vote]										
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
15.1 - [Name of sub-vote]										
Total Revenue by Vote	2	1 289 546	1 166 394	1 448 124	1 334 247	1 419 496	1 419 496	1 414 350	1 499 845	1 597 865

KZN252 Newcastle - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure by Vote	1									
Vote 1 - CORPORATE SERVICES		**363 536**	**129 796**	**180 398**	**90 795**	**93 406**	**93 406**	**106 082**	**111 837**	**119 841**
1.1 - Administration		357 222	121 900	167 397	76 149	78 725	78 725	87 823	90 762	97 018
1.2 - Human Resource		6 314	7 896	13 001	14 645	14 681	14 681	18 259	21 074	22 823
Vote 2 - COMMUNITY SERVICES		**148 377**	**166 621**	**173 984**	**224 236**	**227 985**	**227 985**	**228 647**	**270 404**	**293 788**
2.1 - Culture and Amenities		41 708	44 972	45 075	63 436	62 970	62 970	61 157	72 539	79 762
2.2 - Other Community Services		106 669	121 649	128 909	160 800	165 015	165 015	167 490	197 865	214 026
Vote 3 - BUDGET AND TREASURY OFFICE		**16 657**	**29 613**	**40 494**	**36 513**	**43 970**	**43 970**	**49 031**	**58 285**	**60 162**
3.1 - Financial Services		15 242	28 604	38 054	34 744	42 164	42 164	43 260	50 856	52 685
3.2 - Data Processing		1 137	718	1 075	49	49	49	253	446	429
3.3 - Supply Chain Unit		278	292	1 365	1 720	1 757	1 757	5 519	6 983	7 048
Vote 4 - MUNICIPAL MANAGER		**14 869**	**23 249**	**29 263**	**35 028**	**40 107**	**40 107**	**52 051**	**57 598**	**61 135**
4.1 - Municipal Manager		10 583	8 779	9 014	9 947	11 239	11 239	18 859	20 055	20 852
4.2 - Internal Audit Unit		2 421	2 393	2 567	3 996	3 715	3 715	4 386	5 279	5 787
4.3 - Intergrated Development Planning		741	726	2 016	3 310	3 298	3 298	2 824	3 227	3 481
4.4 - Legal Services		–		2 197	3 121	4 015	4 015	3 926	4 504	4 857
4.5 - Mayoral Office		–	5 610	6 565	6 339	6 326	6 326	9 015	10 272	11 048
4.6 - Public Relations Office		925		435	1 081	10 746	10 746	10 931	11 806	12 453
4.7 - Governance Unit		199	5 740	6 469	7 234	769	769	2 109	2 455	2 656
4.8 - Performance Management										
Vote 5 - PLANNING DEVELOPMENT AND HUMAN SET		**28 631**	**34 383**	**55 057**	**44 882**	**53 612**	**53 612**	**58 734**	**62 626**	**67 350**
5.1 - Economic Development		13 173	17 515	9 550	19 984	9 196	9 196	11 516	10 087	10 775
5.2 - Housing and Land		12 320	12 328	30 847	17 224	23 889	23 889	22 100	23 780	25 543
5.3 - Town Planning		3 138	4 540	14 660	7 674	20 527	20 527	25 117	28 759	31 032
Vote 6 - TECHNICAL SERVICES		**363 402**	**938 499**	**676 681**	**983 899**	**991 334**	**991 334**	**1 008 916**	**1 014 285**	**1 060 861**
6.1 - Civil Services		82 766	342 617	270 020	290 481	298 990	298 990	301 532	260 220	258 501
6.2 - Electrical Services		252 146	322 052	406 661	463 863	466 028	466 028	477 448	500 342	531 333
6.3 - Water and Sanitation		28 490	273 830		229 555	226 317	226 317	229 936	253 723	271 026
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
7.1 - [Name of sub-vote]										
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
8.1 - [Name of sub-vote]										

KZN252 Newcastle - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
9.1 - [Name of sub-vote]										
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
10.1 - [Name of sub-vote]										
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
11.1 - [Name of sub-vote]										
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
12.1 - [Name of sub-vote]										
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
13.1 - [Name of sub-vote]										
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
14.1 - [Name of sub-vote]										
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
15.1 - [Name of sub-vote]										
Total Expenditure by Vote	2	935 472	1 322 161	1 155 876	1 415 353	1 450 413	1 450 413	1 503 460	1 575 035	1 663 138
Surplus/(Deficit) for the year	2	354 074	(155 768)	290 248	(81 106)	(30 917)	(30 917)	(89 110)	(75 190)	(65 273)

References

1. Insert 'Vote'; e.g. Department, if different to standard structure

2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')

3. Assign share in 'associate' to relevant Vote

KZN252 Newcastle - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	124 666	152 387	157 893	165 186	165 186	165 186	165 186	186 121	199 150	213 090
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	297 321	375 321	463 455	502 263	502 263	502 263	502 263	567 581	607 312	649 824
Service charges - water revenue	2	112 454	150 788	133 831	135 504	135 504	135 504	135 504	153 604	164 356	175 861
Service charges - sanitation revenue	2	65 392	69 480	73 581	78 400	78 400	78 400	78 400	84 382	90 288	96 608
Service charges - refuse revenue	2	49 171	55 413	59 668	63 505	63 505	63 505	63 505	68 645	73 450	80 795
Service charges - other		2 490	3 082	3 164	–						
Rental of facilities and equipment		3 506	2 652	5 703	4 353	5 354	5 354	5 354	5 890	6 479	7 126
Interest earned - external investments		26 710	25 091	23 096	16 135	16 135	16 135	16 135	17 436	19 179	21 097
Interest earned - outstanding debtors		1			–	70 000	70 000	70 000	30 000	32 100	34 347
Dividends received					–						
Fines		2 970	2 872	1 572	2 977	2 337	2 337	2 337	2 570	2 827	3 110
Licences and permits		251			51	3	3	3	3	3	4
Agency services					–						
Transfers recognised - operational		232 856	324 241	353 567	352 296	364 463	364 463	364 463	290 201	295 991	306 425
Other revenue	2	371 758	5 068	170 594	7 357	7 588	7 588	7 588	7 918	8 710	9 578
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		**1 289 546**	**1 166 394**	**1 446 124**	**1 328 027**	**1 410 737**	**1 410 737**	**1 410 737**	**1 414 350**	**1 499 845**	**1 597 865**
Expenditure By Type											
Employee related costs	2	183 828	189 472	230 601	260 220	271 648	271 648	271 648	294 220	311 164	331 078
Remuneration of councillors		17 982	14 786	16 193	16 872	17 816	17 816	17 816	19 030	20 362	21 787
Debt impairment	3	69 147	176 534		83 831	83 831	83 831	83 831	90 149	96 973	104 349
Depreciation & asset impairment	2	224 590	222 123	217 908	229 530	229 517	229 517	229 517	229 530	230 747	232 929
Finance charges		6 587	5 867	6 650	14 468	11 366	11 366	11 366	16 366	16 804	17 280
Bulk purchases	2	219 348	283 223	349 411	405 923	400 000	400 000	400 000	400 000	428 000	457 960
Other materials	8		–			2 258	2 258	2 258	2 411	2 508	2 499
Contracted services		7 888	12 229	17 531	137 356	127 556	127 556	127 556	129 328	136 261	143 587
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	206 102	417 928	317 582	265 819	306 421	306 421	306 421	322 427	332 217	351 689
Loss on disposal of PPE											
Total Expenditure		**935 472**	**1 322 161**	**1 155 876**	**1 414 019**	**1 450 413**	**1 450 413**	**1 450 413**	**1 503 460**	**1 575 036**	**1 663 138**
Surplus/(Deficit)		**354 074**	**(155 767)**	**290 247**	**(85 992)**	**(39 677)**	**(39 677)**	**(39 677)**	**(89 110)**	**(75 192)**	**(65 273)**
Transfers recognised - capital											
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		**354 074**	**(155 767)**	**290 247**	**(85 992)**	**(39 677)**	**(39 677)**	**(39 677)**	**(89 110)**	**(75 192)**	**(65 273)**
Taxation											
Surplus/(Deficit) after taxation		**354 074**	**(155 767)**	**290 247**	**(85 992)**	**(39 677)**	**(39 677)**	**(39 677)**	**(89 110)**	**(75 192)**	**(65 273)**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**354 074**	**(155 767)**	**290 247**	**(85 992)**	**(39 677)**	**(39 677)**	**(39 677)**	**(89 110)**	**(75 192)**	**(65 273)**
Share of surplus/ (deficit) of associate	7		(79 403)	(89 128)							
Surplus/(Deficit) for the year		**354 074**	**(235 170)**	**201 120**	**(85 992)**	**(39 677)**	**(39 677)**	**(39 677)**	**(89 110)**	**(75 192)**	**(65 273)**

References

1. Classifications are revenue sources and expenditure type

2. Detail to be provided in Table SA1

3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment

4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs

5. Repairs & maintenance detailed in Table A9 and Table SA34c

6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)

7. Equity method

KZN252 Newcastle - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - CORPORATE SERVICES		2 760	10 987	22 490	65 525	69 202	69 202	69 202	114 050	101 950	51 000
Vote 2 - COMMUNITY SERVICES		10 199	16 481	10 894	28 942	28 998	28 998	28 998	56 395	25 800	12 100
Vote 3 - BUDGET AND TREASURY OFFICE		1 999	5 202	2 982	6 000	500	500	500	3 730	–	–
Vote 4 - MUNICIPAL MANAGER		215	577	210	–	300	300	300	–	–	–
Vote 5 - PLANNING DEVELOPMENT AND HUMAN SETT		5 380	11 214	27 941	15 770	26 954	26 954	26 954	20 687	–	–
Vote 6 - TECHNICAL SERVICES		80 253	97 658	89 395	189 181	205 249	205 249	205 249	214 367	289 529	160 550
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**100 806**	**142 119**	**153 912**	**305 418**	**331 203**	**331 203**	**331 203**	**409 229**	**417 279**	**223 650**
Single-year expenditure *to be appropriated*	2										
Vote 1 - CORPORATE SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 2 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 3 - BUDGET AND TREASURY OFFICE		–	–	–	–	–	–	–	–	–	–
Vote 4 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 5 - PLANNING DEVELOPMENT AND HUMAN SETT		–	–	–	–	–	–	–	–	–	–
Vote 6 - TECHNICAL SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Vote		**100 806**	**142 119**	**153 912**	**305 418**	**331 203**	**331 203**	**331 203**	**409 229**	**417 279**	**223 650**
Capital Expenditure - Standard											
Governance and administration		**5 205**	**16 901**	**25 682**	**71 165**	**69 702**	**69 702**	**69 702**	**117 780**	**101 950**	**51 000**
Executive and council		3 177	11 395	22 154	63 265	69 202	69 202	69 202	111 300	101 000	51 000
Budget and treasury office		1 999	5 202	2 982	6 000	500	500	500	3 730		
Corporate services		28	303	545	1 900	–	–	–	2 750	950	
Community and public safety		**5 590**	**11 334**	**9 542**	**34 602**	**39 606**	**39 606**	**39 606**	**45 480**	**25 800**	**12 100**
Community and social services		2 165	6 269	4 352	4 202	13 208	13 208	13 208	13 830	7 000	2 500
Sport and recreation		986	4 188	5 184	16 600	9 304	9 304	9 304	21 700	11 000	9 500
Public safety		2 440	877	6	3 200	4 600	4 600	4 600	2 500	7 600	
Housing					9 500	12 494	12 494	12 494	6 650		
Health					1 100	–			800	200	100
Economic and environmental services		**63 034**	**86 555**	**105 316**	**79 077**	**123 889**	**123 889**	**123 889**	**105 302**	**149 329**	**64 750**
Planning and development		5 380	11 214	27 941	6 270	14 410	14 410	14 410	14 037		
Road transport		57 654	75 342	77 375	72 807	109 479	109 479	109 479	91 265	149 329	64 750
Environmental protection											
Trading services		**26 978**	**27 329**	**13 372**	**120 574**	**98 006**	**98 006**	**98 006**	**140 667**	**140 200**	**95 800**
Electricity		6 113	19 687	11 227	38 300	38 291	38 291	38 291	41 820	67 200	49 800
Water		16 256	2 501	794	78 614	30 657	30 657	30 657	81 282	73 000	46 000
Waste water management						27 131	27 131	27 131	17 565		
Waste management		4 609	5 141	1 352	3 660	1 927	1 927	1 927			
Other											
Total Capital Expenditure - Standard	3	**100 806**	**142 119**	**153 912**	**305 418**	**331 203**	**331 203**	**331 203**	**409 229**	**417 279**	**223 650**
Funded by:											
National Government			82 236	141 740	108 938	113 200	113 200	113 200	130 012	124 399	121 269
Provincial Government					1 050	7 508	7 508	7 508			
District Municipality											
Other transfers and grants					2 246					55 991	21 569
Transfers recognised - capital	4	–	**82 236**	**141 740**	**112 234**	**120 708**	**120 708**	**120 708**	**130 012**	**180 390**	**142 838**
Public contributions & donations	5										
Borrowing	6		14 487	61 493	113 300	87 534	87 534	87 534	165 417	–	–
Internally generated funds			108 960	99 780	79 884	122 961	122 961	122 961	110 800	236 889	80 812
Total Capital Funding	7	–	**205 684**	**303 013**	**305 418**	**331 203**	**331 203**	**331 203**	**406 229**	**417 279**	**223 650**

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).

2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year

3. Capital expenditure by standard classification must reconcile to the appropriations by vote

4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)

5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

7. Total Capital Funding must balance with Total Capital Expenditure

8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

KZN252 Newcastle - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - CORPORATE SERVICES		2 760	10 987	22 490	65 525	69 202	69 202	69 202	114 050	101 950	51 000
1.1 - Administration		2 732	10 684	21 945	65 525	69 198	69 198	69 198	114 050	101 950	51 000
1.2 - Human Resource		28	303	545		4	4	4	–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 2 - COMMUNITY SERVICES		10 199	16 481	10 894	28 942	28 998	28 998	28 998	56 395	25 800	12 100
2.1 - Culture and Amenities		2 689	8 280	8 755	18 002	13 045	13 045	13 045	13 030	–	–
2.2 - Other Community Services		7 509	8 201	2 139	10 940	15 953	15 953	15 953	43 365	25 800	12 100
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 3 - BUDGET AND TREASURY OFFICE		1 999	5 202	2 982	6 000	500	500	500	3 730	–	–
3.1 - Financial Services		1 999	5 202	2 982	6 000	500	500	500	3 730	–	–
3.2 - Data Processing									–	–	–
3.3 - Supply Chain Unit									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 4 - MUNICIPAL MANAGER		215	577	210	–	300	300	300	–	–	–
4.1 - Municipal Manager		215	577	210		300	300	300	–	–	–
4.2 - Internal Audit Unit									–	–	–
4.3 - Intergrated Development Planning									–	–	–
4.4 - Legal Services									–	–	–
4.5 - Mayoral Office									–	–	–
4.6 - Public Relations Office									–	–	–
4.7 - Governance Unit									–	–	–
4.8 - Performance Management									–	–	–
									–	–	–
									–	–	–
Vote 5 - PLANNING DEVELOPMENT AND HUMAN SETT		5 380	11 214	27 941	15 770	26 954	26 954	26 954	20 687	–	–
5.1 - Economic Development		11	2 380	35	4 750	6 306	6 306	6 306	8 400	–	–
5.2 - Housing and Land		1 624	3 401	6 574	9 500	12 494	12 494	12 494	11 450	–	–
5.3 - Town Planning		3 745	5 433	21 333	1 520	8 154	8 154	8 154	837	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 6 - TECHNICAL SERVICES		80 253	97 658	89 395	189 181	205 249	205 249	205 249	214 367	289 529	160 550
6.1 - Civil Services		76 516	78 520	78 168	150 881	166 957	166 957	166 957	91 265	149 329	64 750
6.2 - Electrical Services		3 738	19 138	11 227	38 300	38 292	38 292	38 292	41 820	67 200	49 800
6.3 - Water and Sanitation									81 282	73 000	46 000
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
7.1 - [Name of sub-vote]									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
8.1 - [Name of sub-vote]									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
9.1 - [Name of sub-vote]									–	–	–
									–	–	–
									–	–	–

Vote 10 - [NAME OF VOTE 10]	–	–	–	–	–	–	–	–	–	–
10.1 - [Name of sub-vote]								–	–	–
Vote 11 - [NAME OF VOTE 11]	–	–	–	–	–	–	–	–	–	–
11.1 - [Name of sub-vote]								–	–	–
Vote 12 - [NAME OF VOTE 12]	–	–	–	–	–	–	–	–	–	–
12.1 - [Name of sub-vote]								–	–	–
Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–	–
13.1 - [Name of sub-vote]								–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–	–
14.1 - [Name of sub-vote]								–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–	–
15.1 - [Name of sub-vote]								–	–	–
Capital multi-year expenditure sub-total	100 806	142 119	153 912	305 418	331 203	331 203	331 203	409 229	417 279	223 650

KZN252 Newcastle - Table A6 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		105	381 528	432 267	432 296	432 296	432 296	432 296	289 116	6 879	(103 160)
Call investment deposits	1	437 582	–	–	–	–	–	–	–	–	–
Consumer debtors	1	127 230	79 842	353 970	594 923	594 923	594 923	594 956	801 282	1 022 201	1 259 479
Other debtors		52 672	128 502	56 645	106 290	106 290	106 290	106 290	106 290	106 290	106 290
Current portion of long-term receivables		30 157			27 390	27 390	27 390	27 390	27 390	27 390	27 390
Inventory	2	6 305	5 978	7 148	5 978	5 978	5 978	5 978	7 148	7 148	7 148
Total current assets		**654 051**	**595 850**	**850 029**	**1 166 876**	**1 166 876**	**1 166 876**	**1 166 909**	**1 231 226**	**1 169 907**	**1 297 146**
Non current assets											
Long-term receivables		13 682			2 130	2 130	2 130	2 130	2 130	2 130	2 130
Investments											
Investment property			176 608	145 957	176 608	176 608	176 608	176 608	176 608	176 608	176 608
Investment in Associate		966 767	980 846	1 063 771	980 846	980 846	980 846	980 846	980 846	980 846	980 846
Property, plant and equipment	3	1 353 159	1 340 731	1 274 962	1 350 663	1 376 648	1 376 648	1 376 648	1 783 534	2 176 596	2 388 064
Agricultural											
Biological											
Intangible		325	701	638	701	701	701	701	701	701	701
Other non-current assets		131 328	2 130								
Total non current assets		**2 465 262**	**2 501 016**	**2 485 328**	**2 510 948**	**2 536 933**	**2 536 933**	**2 536 933**	**2 943 819**	**3 336 881**	**3 548 349**
TOTAL ASSETS		**3 119 313**	**3 096 865**	**3 335 357**	**3 677 825**	**3 703 809**	**3 703 809**	**3 703 842**	**4 175 044**	**4 506 788**	**4 845 496**
LIABILITIES											
Current liabilities											
Bank overdraft	1	15 567									
Borrowing	4	2 325	9 219	8 441	27 217	27 219	27 219	27 219	27 219	27 219	27 219
Consumer deposits		10 039	9 983	8 582	9 983	9 983	9 983	9 983	9 983	9 983	9 983
Trade and other payables	4	148 801	91 293	215 353	108 341	108 341	108 341	108 341	100 000	100 000	100 000
Provisions		6 690	5 323	3 587	5 323	5 323	5 323	5 323	5 323	5 323	5 323
Total current liabilities		**183 420**	**115 819**	**235 963**	**150 864**	**150 866**	**150 866**	**150 866**	**142 525**	**142 525**	**142 525**
Non current liabilities											
Borrowing		78 267	48 518	58 864	144 447	144 447	144 447	144 447	190 141	162 922	135 703
Provisions		104 067	119 725	100 317	91 454	91 454	91 454	91 454	91 454	91 454	91 454
Total non current liabilities		**182 334**	**168 243**	**159 181**	**235 901**	**235 901**	**235 901**	**235 901**	**281 595**	**254 376**	**227 157**
TOTAL LIABILITIES		**365 754**	**284 062**	**395 144**	**386 765**	**386 767**	**386 767**	**386 767**	**424 120**	**396 901**	**369 682**
NET ASSETS	5	**2 753 559**	**2 812 803**	**2 940 214**	**3 291 059**	**3 317 042**	**3 317 042**	**3 317 075**	**3 750 924**	**4 109 887**	**4 475 814**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 765 228	1 801 700	1 845 103	2 196 981	2 222 964	2 222 964	2 222 997	3 720 617	4 079 579	4 445 506
Reserves	4	988 332	1 011 102	1 095 111	1 094 078	1 094 078	1 094 078	1 094 078	30 308	30 308	30 308
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	**2 753 559**	**2 812 803**	**2 940 214**	**3 291 059**	**3 317 042**	**3 317 042**	**3 317 075**	**3 750 924**	**4 109 887**	**4 475 814**

References

1. Detail to be provided in Table SA3

2. Include completed low cost housing to be transferred to beneficiaries within 12 months

3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)

4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.

5. Net assets must balance with Total Community Wealth/Equity

KZN252 Newcastle - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		977 597	642 008	740 835	788 630	802 630	802 630	802 630	904 075	973 419	1 049 539
Government - operating	1	156 110	284 796	400 970	278 930	237 481	237 481	237 481	288 429	295 991	306 425
Government - capital	1	76 678			112 234	112 234	112 234	112 234	118 484	124 399	121 269
Interest		26 712	33 031	31 223	16 135	16 135	16 135	16 135	17 436	19 179	21 097
Dividends											
Payments											
Suppliers and employees		(969 755)	(204 257)	(246 794)	(1 182 936)	(880 658)	(880 658)	(880 658)	(1 098 955)	(1 256 922)	(1 350 240)
Finance charges		(11 836)	(5 867)	(6 650)	(14 468)	(14 468)	(14 468)	(14 468)	(16 366)	(16 804)	(17 260)
Transfers and Grants	1		(494 549)	(729 398)							
NET CASH FROM/(USED) OPERATING ACTIVITIES		255 507	255 162	190 185	(1 475)	273 354	273 354	273 354	213 102	139 261	130 830
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		13 610	(218 263)	(178 538)							
Decrease (increase) in non-current debtors			(451)	(7)							
Decrease (increase) other non-current receivables		(18 660)	(37 273)	29 015	14 319	14 319	14 319	14 319			
Decrease (increase) in non-current investments			(14 078)	546	(14 078)	(14 078)	(14 078)	(14 078)			
Payments											
Capital assets		(100 762)							(409 699)	(394 279)	(213 650)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(105 813)	(270 066)	(148 984)	241	241	241	241	(409 699)	(394 279)	(213 650)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans				386							
Borrowing long term/refinancing		6 789	(25 689)	9 182	113 000	113 000	113 000	113 000	165 417	–	–
Increase (decrease) in consumer deposits		(280)			(55)	(55)	(55)	(55)			
Payments											
Repayment of borrowing			9 219	8 253	(27 219)	(27 219)	(27 219)	(27 219)	(27 219)	(27 219)	(27 219)
NET CASH FROM/(USED) FINANCING ACTIVITIES		6 509	(16 470)	17 821	85 726	85 726	85 726	85 726	138 198	(27 219)	(27 219)
NET INCREASE/ (DECREASE) IN CASH HELD		156 203	(31 373)	59 021	84 492	359 321	359 321	359 321	(58 399)	(282 237)	(110 039)
Cash/cash equivalents at the year begin:	2		156 203	124 830	432 296	432 296	432 296	432 296	347 515	289 116	6 879
Cash/cash equivalents at the year end:	2	156 203	124 830	183 851	516 788	791 617	791 617	791 617	289 116	6 879	(103 160)

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

KZN252 Newcastle - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	156 203	124 830	183 851	516 788	791 617	791 617	791 617	289 116	6 879	(103 160)
Other current investments > 90 days		265 917	256 698	248 415	(84 492)	(359 321)	(359 321)	(359 321)	(0)	0	(0)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		422 121	381 528	432 267	432 296	432 296	432 296	432 296	289 116	6 879	(103 160)
Application of cash and investments											
Unspent conditional transfers		49 779	30 307	78 696	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(84 716)	(102 721)	(147 783)	(469 692)	(439 667)	(439 667)	(439 693)	(643 136)	(829 004)	(1 030 139)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(34 937)	(72 414)	(69 088)	(469 692)	(439 667)	(439 667)	(439 693)	(643 136)	(829 004)	(1 030 139)
Surplus(shortfall)		457 058	453 941	501 355	901 988	871 963	871 963	871 989	932 252	835 883	926 979

References

1. Must reconcile with Budgeted Cash Flows

2. For example: VAT, taxation

3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)

4. For example: sinking fund requirements for borrowing

5. Council approval required for each reserve created and basis of cash backing of reserves

KZN252 Newcastle - Table A9 Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE										
Total New Assets	1	120 345	203 852	19 142	40 237	87 901	87 901	91 364	22 750	8 100
Infrastructure - Road transport		107 152	149 624	–	–	–	–	–	–	–
Infrastructure - Electricity		1 026	10 652	8 081	–	15 986	15 986	13 800	–	–
Infrastructure - Water		–	6 069	–	–	–	–	1 602	–	–
Infrastructure - Sanitation		–	1 214	–	–	–	–	–	–	–
Infrastructure - Other		–	606	–	750	1 306	1 306	1 500	–	–
Infrastructure		*108 178*	*168 165*	*8 081*	*750*	*17 292*	*17 292*	*16 902*	–	–
Community		–	9 384	910	4 932	6 980	6 980	15 300	5 700	4 500
Heritage assets		–	26	2	40	40	40	60	–	–
Investment properties		–	–	–	–	1 089	1 089	8 800	–	–
Other assets	6	12 167	22 546	10 150	30 015	55 076	55 076	49 302	17 050	3 600
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	3 730	–	4 500	7 424	7 424	1 000	–	–
Total Renewal of Existing Assets	2	1 457 798	1 353 569	181 897	264 981	312 994	312 994	317 865	394 529	215 550
Infrastructure - Road transport		1 125 535	972 376	78 193	97 076	130 697	130 697	109 185	162 429	64 750
Infrastructure - Electricity		150 096	142 317	2 188	33 300	35 301	35 301	16 900	60 100	49 800
Infrastructure - Water		–	–	26 468	53 650	59 242	59 242	29 880	18 000	16 000
Infrastructure - Sanitation		–	–	–	–	–	–	38 600	47 000	31 000
Infrastructure - Other		–	56 180	–	500	500	500	–	–	–
Infrastructure		*1 275 631*	*1 170 874*	*106 849*	*184 526*	*225 739*	*225 739*	*194 565*	*287 529*	*161 550*
Community		13 206	–	7 101	12 600	13 617	13 617	7 600	7 000	4 000
Heritage assets		596	–	–	–	–	–	–	–	–
Investment properties		–	–	–	1 000	1 000	1 000	150	–	–
Other assets	6	168 365	182 370	67 946	66 855	72 637	72 637	115 550	100 000	50 000
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	325	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		1 232 687	1 122 000	78 193	97 076	130 697	130 697	109 185	162 429	64 750
Infrastructure - Electricity		151 122	152 969	10 270	33 300	51 286	51 286	30 700	60 100	49 800
Infrastructure - Water		–	6 069	26 468	53 650	59 242	59 242	31 482	18 000	16 000
Infrastructure - Sanitation		–	1 214	–	–	–	–	38 600	47 000	31 000
Infrastructure - Other		–	56 787	–	1 250	1 806	1 806	1 500	–	–
Infrastructure		*1 383 809*	*1 339 039*	*114 931*	*185 276*	*243 031*	*243 031*	*211 467*	*287 529*	*161 550*
Community		13 206	9 384	8 011	17 532	20 597	20 597	22 900	12 700	8 500
Heritage assets		596	26	2	40	40	40	60	–	–
Investment properties		–	–	–	1 000	2 089	2 089	8 950	–	–
Other assets		180 532	204 916	78 096	96 870	127 714	127 714	164 852	117 050	53 600
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	4 055	–	4 500	7 424	7 424	1 000	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	1 578 142	1 557 421	201 039	305 218	400 895	400 895	409 229	417 279	223 650
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		1 028 557	912 069	829 407	722 424	626 654		469 933	312 416	152 718
Infrastructure - Electricity		142 317	146 091	171 831	198 020	224 200		353 190	410 679	468 168
Infrastructure - Water			6 069		52 195	107 775		150 321	195 866	241 412
Infrastructure - Sanitation			1 214							
Infrastructure - Other			60 570	48 151	49 390	51 384		52 722	54 060	55 399
Infrastructure		*1 170 874*	*1 126 014*	*1 049 389*	*1 022 030*	*1 010 013*	–	*1 026 165*	*973 021*	*917 697*
Community		6 552	9 381	5 312	24 909	39 567	39 567	68 464	97 361	126 258
Heritage assets		586	26	2 808	2 848	2 888		2 928	2 978	3 028
Investment properties		–	176 608	145 957	176 608	176 608	176 608	176 608	176 608	176 608
Other assets		159 226	195 888	276 257	358 480	456 431		591 022	626 223	661 425
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		325	701	638	701	701	701	701	701	701
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 347 564	1 508 618	1 480 362	1 585 576	1 686 208	216 876	1 865 889	1 876 892	1 885 717
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		224 590	222 123	217 908	229 530	229 517	229 517	229 530	230 747	232 929
Repairs and Maintenance by Asset Class	3	–	66 625	78 011	88 577	90 990	90 990	92 216	93 701	98 575
Infrastructure - Road transport		–	28 687	26 289	29 476	40 176	40 176	38 604	41 319	43 573
Infrastructure - Electricity		–	15 468	25 723	24 367	12 115	12 115	15 247	13 262	13 967
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	8 622	11 503	8 600	11 758	11 758	11 039	11 481	11 940
Infrastructure - Other		–	1 123	1 201	3 110	2 841	2 841	3 010	3 205	3 414
Infrastructure		–	*53 900*	*64 716*	*65 552*	*66 890*	*66 890*	*67 900*	*69 268*	*72 894*
Community		–	4 596	5 871	9 483	9 154	9 154	9 060	9 486	9 933
Heritage assets		–	33	45	42	72	72	55	58	62
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	–	8 096	7 380	13 500	14 874	14 874	15 201	14 889	15 686
TOTAL EXPENDITURE OTHER ITEMS		224 590	288 748	295 920	318 107	320 507	320 507	321 746	324 449	331 504
Renewal of Existing Assets as % of total capex		*92.4%*	*86.9%*	*90.5%*	*86.8%*	*78.1%*	*78.1%*	*77.7%*	*94.5%*	*96.4%*
Renewal of Existing Assets as % of deprecn"		*649.1%*	*609.4%*	*83.5%*	*115.4%*	*136.4%*	*136.4%*	*136.5%*	*171.0%*	*92.5%*
R&M as a % of PPE		*0.0%*	*5.0%*	*6.1%*	*6.6%*	*6.6%*	*6.6%*	*5.2%*	*4.3%*	*4.1%*
Renewal and R&M as a % of PPE		*108.0%*	*94.0%*	*18.0%*	*22.0%*	*24.0%*	*186.0%*	*22.0%*	*26.0%*	*17.0%*

References

1. Detail of new assets provided in Table SA34a

2. Detail of renewal of existing assets provided in Table SA34b

3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c

4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure

5. Must reconcile to 'Budgeted Financial Position' (written down value)

6. Donated/contributed and assets funded by finance leases to be allocated to the respective category

KZN252 Newcastle - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling			12 683	12 809	12 809	12 809	12 809	12 809	12 809	12 809
Piped water inside yard (but not in dwelling)			62 611	63 237	63 237	63 237	63 237	63 237	63 237	63 237
Using public tap (at least min.service level)	2		9 004	13 600	13 600	13 600	13 600	13 600	13 600	13 600
Other water supply (at least min.service level)	4		13 507	9 000	9 000	9 000	9 000	9 000	9 000	9 000
Minimum Service Level and Above sub-total		–	97 805	98 646	98 646	98 646	98 646	98 646	98 646	98 646
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	97 805	98 646	98 646	98 646	98 646	98 646	98 646	98 646
Sanitation/sewerage:										
Flush toilet (connected to sewerage)			51 082	51 593	51 593	51 593	51 593	51 593	51 593	51 593
Flush toilet (with septic tank)			2 280	2 303	2 303	2 303	2 303	2 303	2 303	2 303
Chemical toilet			–	–	–	–	–	–	–	–
Pit toilet (ventilated)			18 219	19 419	19 419	19 419	19 419	19 419	19 419	19 419
Other toilet provisions (> min.service level)					–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	71 581	73 315	73 315	73 315	73 315	73 315	73 315	73 315
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	71 581	73 315	73 315	73 315	73 315	73 315	73 315	73 315
Energy:										
Electricity (at least min.service level)		14 391	13 937	13 999	14 218	14 218	14 218	14 218	14 218	14 218
Electricity - prepaid (min.service level)		1 311	1 311	1 311	1 311	1 311	1 311	1 311	1 311	1 311
Minimum Service Level and Above sub-total		15 702	15 248	15 310	15 529	15 529	15 529	15 529	15 529	15 529
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	15 702	15 248	15 310	15 529	15 529	15 529	15 529	15 529	15 529
Refuse:										
Removed at least once a week		49 223	49 219	49 219	49 219	49 219	49 219	49 219	49 219	49 219
Minimum Service Level and Above sub-total		49 223	49 219	49 219	49 219	49 219	49 219	49 219	49 219	49 219
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump					–	–	–	–	–	–
Using own refuse dump					–	–	–	–	–	–
Other rubbish disposal					–	–	–	–	–	–
No rubbish disposal					–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	49 223	49 219	49 219	49 219	49 219	49 219	49 219	49 219	49 219
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		21 836	22 281	22 559	22 664	22 664	22 664	22 664	22 664	22 664
Sanitation (free minimum level service)		21 836	22 281	22 559	22 664	22 664	22 664	22 664	22 664	22 664
Electricity/other energy (50kwh per household per month)		21 836	22 281	22 559	22 664	22 664	22 664	22 664	22 664	22 664
Refuse (removed at least once a week)		21 836	22 281	22 559	22 664	22 664	22 664	22 664	22 664	22 664
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		–	–	–	–	–	–	–	–	–
Highest level of free service provided										
Property rates (R value threshold)										
Water (kilolitres per household per month)		6	6	6	12	12	12	12	12	12
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		123	131	140	150	150	150	150	150	150
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		100	100	100	100	100	100	100	100	100
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		–	–	–	–	–	–	–	–	–
Property rates (other exemptions, reductions and rebates)		1 074		1 787	8 936	8 936	8 936	6 988	7 477	8 001
Water		1 335	1 443	1 563	6 606	6 606	6 606	7 068	7 563	8 092
Sanitation		2 738	2 912	3 154	19 721	19 721	19 721	21 102	22 579	24 159
Electricity/other energy		836	853	1 563	2 487	2 487	2 487	2 300	2 392	2 488
Refuse		1 449	1 701	1 843	24 057	24 057	24 057	25 741	27 543	29 471
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other										
Total revenue cost of free services provided (total social package)		7 431	6 909	9 910	61 808	61 808	61 808	63 199	67 554	72 211

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free
8. Must reflect the cost to the municipality of providing the Free Basic Service

KZN252 Newcastle - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		124 666	152 387	157 893	174 122	174 122	174 122	174 122	193 109	206 627	221 091
less Revenue Foregone					8 936	8 936	8 936	8 936	6 988	7 477	8 001
Net Property Rates		**124 666**	**152 387**	**157 893**	**165 186**	**165 186**	**165 186**	**165 186**	**186 121**	**199 150**	**213 090**
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		297 321	375 321	463 455	502 263	502 263	502 263	502 263	567 581	607 312	649 824
less Revenue Foregone											
Net Service charges - electricity revenue		**297 321**	**375 321**	**463 455**	**502 263**	**502 263**	**502 263**	**502 263**	**567 581**	**607 312**	**649 824**
Service charges - water revenue	6										
Total Service charges - water revenue		112 454	150 788	133 831	138 807	138 807	138 807	138 807	157 138	168 138	179 907
less Revenue Foregone					3 303	3 303	3 303	3 303	3 534	3 781	4 046
Net Service charges - water revenue		**112 454**	**150 788**	**133 831**	**135 504**	**135 504**	**135 504**	**135 504**	**153 604**	**164 356**	**175 861**
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		65 392	69 480	73 581	78 400	78 400	78 400	78 400	84 382	90 288	96 608
less Revenue Foregone											
Net Service charges - sanitation revenue		**65 392**	**69 480**	**73 581**	**78 400**	**78 400**	**78 400**	**78 400**	**84 382**	**90 288**	**96 608**
Service charges - refuse revenue	6										
Total refuse removal revenue		49 171	55 413	59 668	63 505	63 505	63 505	63 505	68 645	73 450	80 795
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		**49 171**	**55 413**	**59 668**	**63 505**	**63 505**	**63 505**	**63 505**	**68 645**	**73 450**	**80 795**
Other Revenue by source											
Fuel Levy											
Other revenue		1 453	5 068	170 594	7 357	7 588	7 588	7 588	7 918	8 710	9 578
Reversal of impairment on investment Uthukela		363 801									
Revaluation adjustment: Investment Properties		6 503									
Total 'Other' Revenue	31	**371 758**	**5 068**	**170 594**	**7 357**	**7 588**	**7 588**	**7 588**	**7 918**	**8 710**	**9 578**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	119 581	103 261	134 319	176 198	175 779	175 779	175 779	197 490	181 901	191 897
Pension and UIF Contributions		17 582	24 985	27 893	33 161	33 170	33 170	33 170	38 799	59 179	64 905
Medical Aid Contributions			10 790	11 834	8 889	9 346	9 346	9 346	9 598	10 558	11 486
Overtime		16 093	19 244	21 385	12 044	19 756	19 756	19 756	14 972	22 974	23 075
Performance Bonus											
Motor Vehicle Allowance			13 833	16 315							
Cellphone Allowance											
Housing Allowances		8 735	7 232	7 058	9 154	9 154	9 154	9 154	7 675	8 442	9 215
Other benefits and allowances		13 618	1 106	1 262	20 009	9 608	9 608	9 608	10 490	11 395	12 322
Payments in lieu of leave		7 189	8 251	9 880		14 071	14 071	14 071	14 355	15 790	17 161
Long service awards		1 030	771	655	765	765	765	765	841	925	1 018
Post-retirement benefit obligations	4										
sub-total	5	**183 828**	**189 472**	**230 601**	**260 220**	**271 648**	**271 648**	**271 648**	**294 220**	**311 164**	**331 078**
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	**183 828**	**189 472**	**230 601**	**260 220**	**271 648**	**271 648**	**271 648**	**294 220**	**311 164**	**331 078**
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		224 590	222 123	217 908	229 530	229 517	229 517	229 517	229 530	230 747	232 929
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	**224 590**	**222 123**	**217 908**	**229 530**	**229 517**	**229 517**	**229 517**	**229 530**	**230 747**	**232 929**
Bulk purchases											
Electricity Bulk Purchases		219 348	283 223	349 411	405 923	400 000	400 000	400 000	400 000	428 000	457 960
Water Bulk Purchases											
Total bulk purchases	1	**219 348**	**283 223**	**349 411**	**405 923**	**400 000**	**400 000**	**400 000**	**400 000**	**428 000**	**457 960**
Transfers and grants											
Cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	–	–	–	–	–	–	–	–	–	–
Contracted services											
Agent Fees											
consultants fees											

sub-total	1	-	-	-	-	-	-	-	-	-	-
Allocations to organs of state:											
Electricity											
Water		7 888	4 761	6 940	137 356	127 556	127 556	127 556	129 328	136 261	143 587
Sanitation											
Other			7 469	10 591							
Total contracted services		7 888	12 229	17 531	137 356	127 556	127 556	127 556	129 328	136 261	143 587
Other Expenditure By Type											
Collection costs		7 540	10 140	8 534	11 372	12 579	12 579	12 579	12 588	13 092	13 615
Contributions to 'other' provisions											
Consultant fees						19 819	19 819	19 819	17 791	18 323	18 876
Audit fees					2 904	2 904	2 904	2 904	3 136	3 387	3 658
General expenses	3	146 382	332 324	232 645	251 543	271 119	271 119	271 119	288 911	297 415	315 539
Repairs and Maintenance		52 180	75 464	76 403							
Total 'Other' Expenditure	1	206 102	417 928	317 582	265 819	306 421	306 421	306 421	322 427	332 217	351 689

by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	-	-	-	-	-	-	-	-	-	-
	check	-	(66 625)	(78 011)	(88 577)	(90 990)	(90 990)		(92 216)	(93 701)	(98 575)

References

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)

2. Must reconcile to supporting documentation on staff salaries

3. Insert other categories where revenue or expenditure is of a material nature (list separate items until 'General expenses' is not > 10% of Total Expenditure)

4. Expenditure to meet any 'unfunded obligations'

5 This sub-total must agree with the total on SA22, but excluding councillor and board member items

6. Include a note for each revenue item that is affected by 'revenue foregone'

7. Special consideration may have to be given to including 'goodwill arising' or 'joint venture' budgets where circumstances require this (include separately under relevant notes)

KZN252 Newcastle - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - CORPORATE SERVICES	Vote 2 - COMMUNITY SERVICES	Vote 3 - BUDGET AND TREASURY OFFICE	Vote 4 - MUNICIPAL MANAGER	Vote 5 - PLANNING DEVELOPMENT AND HUMAN SETTLEMENT	Vote 6 - TECHNICAL SERVICES	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates				186 121													186 121
Property rates - penalties & collection charges																	–
Service charges - electricity revenue							572 886										572 886
Service charges - water revenue							153 604										153 604
Service charges - sanitation revenue							84 382										84 382
Service charges - refuse revenue			68 645														68 645
Service charges - other																	–
Rental of facilities and equipment		799	603			3 388	1 100										5 890
Interest earned - external investments		17 436															17 436
Interest earned - outstanding debtors				30 000													30 000
Dividends received																	–
Fines			2 570														2 570
Licences and permits			2			1											3
Agency services																	–
Other revenue		428	2 406	1 880		495	2 710										7 918
Transfers recognised - operational		112 094	36 153	34 633			105 549										288 429
Gains on disposal of PPE																	–
Total Revenue (excluding capital transfers and contribution		130 756	110 379	252 634	–	3 884	920 230	–	–	–	–	–	–	–	–	–	1 417 882
Expenditure By Type																	
Employee related costs		20 937	125 519	29 768	29 442	25 041	61 740										292 447
Remuneration of councillors		19 030															19 030
Debt impairment		13 024	5 137				71 988										90 149
Depreciation & asset impairment		5 243	8 660	2 396	234	1 400	211 598										229 530
Finance charges		4 604	2 741	173		998	5										8 521
Bulk purchases							400 000										400 000
Other materials		163	1 791	45	15	58	339										2 411
Contracted services			10 041	4 500	2 299	3 102	133 058										153 000
Transfers and grants																	–
Other expenditure		43 082	73 372	12 149	21 448	26 132	128 714										304 897
Loss on disposal of PPE																	–
Total Expenditure		106 082	227 260	49 031	53 438	56 731	1 007 443	–	–	–	–	–	–	–	–	–	1 499 985
Surplus/(Deficit)		24 673	(116 881)	203 602	(53 438)	(52 847)	(87 213)	–	–	–	–	–	–	–	–	–	(82 103)
Transfers recognised - capital																	–
Contributions recognised - capital																	–
Contributed assets																	–
Surplus/(Deficit) after capital transfers & contributions		24 673	(116 881)	203 602	(53 438)	(52 847)	(87 213)	–	–	–	–	–	–	–	–	–	(82 103)

References

1. Departmental columns to be based on municipal organisation structure

KZN252 Newcastle - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Call investment deposits											
Call deposits < 90 days		437 582									
Other current investments > 90 days											
Total Call investment deposits	2	**437 582**	–	–	–	–	–	–	–	–	–
Consumer debtors											
Consumer debtors		127 230	79 842	353 970	594 923	594 923	594 923	594 956	801 282	1 022 201	1 259 479
Less: Provision for debt impairment											
Total Consumer debtors	2	**127 230**	**79 842**	**353 970**	**594 923**	**594 923**	**594 923**	**594 956**	**801 282**	**1 022 201**	**1 259 479**
Debt impairment provision											
Balance at the beginning of the year					527 539	527 539	527 539	527 539	617 687	714 659	819 007
Contributions to the provision											
Bad debts written off											
Balance at end of year		–	–	–	**527 539**	**527 539**	**527 539**	**527 539**	**617 687**	**714 659**	**819 007**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		1 353 159	1 340 731	1 274 962	1 350 663	1 376 648	1 376 648	1 376 648	1 783 534	2 176 596	2 388 064
Leases recognised as PPE	3										
Less: Accumulated depreciation											
Total Property, plant and equipment (PPE)	2	**1 353 159**	**1 340 731**	**1 274 962**	**1 350 663**	**1 376 648**	**1 376 648**	**1 376 648**	**1 783 534**	**2 176 596**	**2 388 064**
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		2 325	9 219	8 441	27 217	27 219	27 219	27 219	27 219	27 219	27 219
Total Current liabilities - Borrowing		**2 325**	**9 219**	**8 441**	**27 217**	**27 219**	**27 219**	**27 219**	**27 219**	**27 219**	**27 219**
Trade and other payables											
Trade and other creditors		99 022	60 986	136 658	108 341	108 341	108 341	108 341	100 000	100 000	100 000
Unspent conditional transfers		49 779	30 307	78 696							
VAT											
Total Trade and other payables	2	**148 801**	**91 293**	**215 353**	**108 341**	**108 341**	**108 341**	**108 341**	**100 000**	**100 000**	**100 000**
Non current liabilities - Borrowing											
Borrowing	4	78 267	48 518	58 666	144 447	144 447	144 447	144 447	190 141	162 922	135 703
Finance leases (including PPP asset element)				198							
Total Non current liabilities - Borrowing		**78 267**	**48 518**	**58 864**	**144 447**	**144 447**	**144 447**	**144 447**	**190 141**	**162 922**	**135 703**
Provisions - non-current											
Retirement benefits					68 960	68 960	68 960	68 960	68 960	68 960	68 960
List other major provision items											
Refuse landfill site rehabilitation		50 765	50 765	22 494	22 494	22 494	22 494	22 494	22 494	22 494	22 494
Other		53 301	68 960	77 822							
Total Provisions - non-current		**104 067**	**119 725**	**100 317**	**91 454**	**91 454**	**91 454**	**91 454**	**91 454**	**91 454**	**91 454**
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		1 765 228	1 801 700	1 845 103	2 284 261	2 254 381	2 254 381	2 254 381	2 450 692	2 842 841	3 209 186
GRAP adjustments											
Restated balance		1 765 228	1 801 700	1 845 103	2 284 261	2 254 381	2 254 381	2 254 381	2 450 692	2 842 841	3 209 186
Surplus/(Deficit)		354 074	(155 767)	290 247	(85 992)	(39 677)	(39 677)	(39 677)	(89 110)	(75 192)	(65 273)
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	**2 119 302**	**1 645 933**	**2 135 350**	**2 198 269**	**2 214 704**	**2 214 704**	**2 214 704**	**2 361 582**	**2 767 649**	**3 143 913**
Reserves											
Housing Development Fund		21 564	23 853	24 885	23 853	23 853	23 853	23 853	23 853	23 853	23 853
Capital replacement											
Self-insurance			6 404	6 455	6 455	6 455	6 455	6 455	6 455	6 455	6 455
Other reserves		966 767	980 846	1 063 771	1 063 771	1 063 771	1 063 771	1 063 771			
Revaluation											
Total Reserves	2	**988 332**	**1 011 102**	**1 095 111**	**1 094 078**	**1 094 078**	**1 094 078**	**1 094 078**	**30 308**	**30 308**	**30 308**
TOTAL COMMUNITY WEALTH/EQUITY	2	**3 107 633**	**2 657 036**	**3 230 461**	**3 292 348**	**3 308 783**	**3 308 783**	**3 308 783**	**2 391 889**	**2 797 957**	**3 174 221**

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services										

KZN252 Newcastle - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
BASIC SERVICE - WATER				148 073	201 648	202 782	204 049	204 064	204 064	181 534	196 391	209 209
BASIC SERVICE - SANITATION				115 737	114 782	121 210	125 426	125 426	125 426	149 290	152 510	161 339
BASIC SERVICE - HOUSING				4 456	1 953	20 680	2 758	10 355	10 355	3 280	3 608	3 968
BASIC SERVICE - ELECTRICITY				302 265	393 656	480 859	524 513	524 312	524 312	583 480	621 304	664 500
BASIC SERVICE - ROADS				61 555	51 035	56 471	45 104	50 854	50 854	2 445	1 248	1 373
BASIC SERVICE - REFUSE				69 597	79 570	59 682	88 685	63 518	63 518	68 660	73 466	80 813
BASIC SERVICE - OTHER COMMUNITY SERVES				1 903	89 195	3 494	4 261	4 683	4 683	4 937	5 431	5 974
BASIC SERVICE - PUBLIC SAFETY				2 380	2 445	44	2 746	51	51	56	61	67
BASIC SERVICE - SPORTS AND RECREATION				434	1 273	509	1 749	670	670	523	575	632
FINANCIAL VIABILITY				185 380	182 052	347 506	195 036	424 403	424 403	417 437	442 138	467 063
GOOD GORVENANCE & PUBLIC CONSULTATION				8 425	36 567	3 051	27 599	1 709	1 709	2 106	2 149	2 196
INSTITUTIONAL DEVELOPMENT & TRANSFORMATION				63 281	5 372	334	93 993	320	320	352	387	426
LOCAL ECONOMIC DEVELOPMENT				900	519	137	23	135	135	149	464	180
SPATIAL AND ENVIRONMENTAL PLANNING				4 740	6 326	18 014	10 796	8 994	8 994	103	114	125
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**969 126**	**1 166 393**	**1 314 772**	**1 326 738**	**1 419 496**	**1 419 496**	**1 414 350**	**1 499 845**	**1 597 865**

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN252 Newcastle - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
BASIC SERVICE - WATER				137 606	232 270	180 234	195 180	183 289	183 289	185 437	206 442	220 780
BASIC SERVICE - SANITATION				46 203	50 192	27 778	39 070	43 028	43 028	44 498	47 282	50 247
BASIC SERVICE - HOUSING				12 309	12 328	2 748	16 972	3 422	3 422	4 054	4 337	4 662
BASIC SERVICE - ELECTRICITY				254 869	326 198	406 661	464 409	466 028	466 028	477 948	549 671	591 211
BASIC SERVICE - ROADS				316 314	316 470	62 693	293 516	302 867	302 867	303 531	315 342	323 692
BASIC SERVICE - REFUSE				64 492	66 987	80 677	86 582	89 614	89 614	92 958	108 290	116 730
BASIC SERVICE - OTHER COMMUNITY SERVES				13 589	84 516	32 796	25 695	53 539	53 539	53 776	63 671	69 123
BASIC SERVICE - PUBLIC SAFETY				36 546	39 262	27 578	58 542	41 843	41 843	41 346	50 407	54 916
BASIC SERVICE - SPORTS AND RECREATION				27 894	31 146	29 580	35 215	34 581	34 581	32 884	39 482	43 886
FINANCIAL VIABILITY				15 419	18 069	42 423	36 513	44 056	44 056	49 110	58 373	60 174
GOOD GORVENANCE & PUBLIC CONSULTATION				34 296	79 608	155 872	49 978	177 132	177 132	204 349	119 356	114 348
INSTITUTIONAL DEVELOPMENT & TRANSFORMATION				112 049	27 811		74 680					
LOCAL ECONOMIC DEVELOPMENT				3 530	4 748	9 550	8 629	9 196	9 196	11 516	10 087	10 775
SPATIAL AND ENVIRONMENTAL PLANNING				19 180	22 796	1 045	29 039	1 819	1 819	2 051	2 396	2 594
Allocations to other priorities												
Total Expenditure			1	1 094 296	1 312 401	1 059 636	1 414 019	1 450 413	1 450 413	1 503 461	1 575 036	1 663 138

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN252 Newcastle - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
BASIC SERVICE - WATER		A		–	1 729		53 305	18 732	18 732	78 910	73 000	46 000
BASIC SERVICE - SANITATION		B		–			14 000	14 000	14 000			
BASIC SERVICE - HOUSING		C		–	274	425	9 535	850	850	11 450		
BASIC SERVICE - ELECTRICITY		D		7 446	19 687	11 238	38 300	30 791	30 791	40 320	67 200	49 800
BASIC SERVICE - ROADS		E		29 475	70 425	78 159	80 576	134 590	134 590	95 137	149 329	64 750
BASIC SERVICE - REFUSE		F		1 072	5 143	1 352	3 660	877	877	18 865		
BASIC SERVICE - OTHER COMMUNITY SERVES		G		1 030	2 662	2 246	8 167	6 326	6 326	9 830	3 200	100
BASIC SERVICE - PUBLIC SAFETY		H		96	2 433	57	5 780	4 013	4 013	2 200	7 600	
BASIC SERVICE - SPORTS AND RECREATION		I		536	4 172	4 950	16 600	14 261	14 261	25 500	15 000	12 000
FINANCIAL VIABILITY		J		56	5 202	2 982	6 000	500	500	3 730		
GOOD GORVENANCE & PUBLIC CONSULTATION		K		1 027	26 385	25 035	65 525	80 458	80 458	114 050	101 950	51 000
INSTITUTIONAL DEVELOPMENT & TRANSFORMATION		L		109	3 423	6 149	600	11 644	11 644			
LOCAL ECONOMIC DEVELOPMENT		M		–	12		1 600	6 306	6 306	8 400		
SPATIAL AND ENVIRONMENTAL PLANNING		N		638	572	21 320	1 770	7 854	7 854	837		
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	41 484	142 119	153 912	305 418	331 203	331 203	409 229	417 279	223 650

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure

2. Goal code must be used on Table SA36

KZN252 Newcastle - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & *Principal Paid /Operating* Expenditure	0.7%	-0.3%	-0.1%	2.9%	2.7%	2.7%	2.7%	2.9%	2.8%	2.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.6%	-0.4%	-0.1%	4.3%	3.7%	3.7%	3.7%	3.9%	3.7%	3.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	6.7%	-42.9%	78.6%	58.5%	53.7%	53.7%	53.7%	59.2%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	7.9%	4.8%	5.4%	13.2%	13.2%	13.2%	13.2%	627.4%	537.6%	447.7%
Liquidity											
Current Ratio	Current assets/current liabilities	3.6	5.1	3.6	7.7	7.7	7.7	7.7	8.6	8.2	9.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.6	5.1	3.6	7.7	7.7	7.7	7.7	8.6	8.2	9.1
Liquidity Ratio	Monetary Assets/Current Liabilities	2.4	3.3	1.8	2.9	2.9	2.9	2.9	2.0	0.0	(0.7)
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		93.1%	74.0%	72.0%	83.7%	79.3%	79.3%	79.3%	81.7%	82.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			94.9%	78.6%	69.3%	82.2%	77.9%	77.9%	77.9%	81.7%	82.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.4%	17.9%	28.4%	55.0%	51.8%	51.8%	51.8%	66.3%	77.2%	87.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within' MFMA' s 65(e))										
Creditors to Cash and Investments		63.4%	48.9%	74.3%	21.0%	13.7%	13.7%	13.7%	34.6%	1453.7%	-96.9%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Employee costs	*Employee costs/(Total Revenue - capital revenue)*	14.3%	16.2%	15.9%	19.6%	19.3%	19.3%	19.3%	20.8%	20.7%	20.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	16.2%	19.2%	17.6%	25.2%	23.8%	23.8%		22.8%	22.8%	22.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	5.7%	5.4%	6.7%	6.4%	6.4%		6.5%	6.2%	6.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	17.9%	19.5%	15.5%	16.4%	17.1%	17.1%	17.1%	17.4%	16.5%	15.7%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	44.4	36.7	25.2	22.5	22.5	22.5	23.4	24.2	24.9	26.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	32.1%	25.7%	45.8%	76.8%	76.7%	76.7%	76.7%	87.7%	101.3%	113.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.2	1.7	2.9	6.2	9.4	9.4	9.4	3.3	0.1	(1.0)

References

1. Consumer debtors > 12 months old are excluded from current assets

2. Only include if services provided by the municipality

KZN252 Newcastle - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue Framework	
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome
Demographics											
Population			287	333	328	364	424	539	539	539	539
Females aged 5 - 14			n/a								
Males aged 5 - 14			n/a								
Females aged 15 - 34			n/a								
Males aged 15 - 34			n/a								
Unemployment			68	68							
Monthly household income (no. of households)	1, 12										
No income											
R1 - R1 600			n/a	>800	>800	>800	>800	>800	>800	>800	>800
R1 601 - R3 200											
R3 201 - R6 400											
R6 401 - R12 800											
R12 801 - R25 600											
R25 601 - R51 200											
R52 201 - R102 400											
R102 401 - R204 800											
R204 801 - R409 600											
R409 601 - R819 200											
> R819 200											
Poverty profiles (no. of households)											
< R2 060 per household per month	13										
Insert description	2										
Household/demographics (000)											
Number of people in municipal area											
Number of poor people in municipal area											
Number of households in municipal area			54 833	71 164	77 786	85	85	98	98	98	98
Number of poor households in municipal area											
Definition of poor household (R per month)											
Housing statistics	3										
Formal			24 145	24 145	24 145	24 145	24 145	24 145	24 145	24 145	24 145
Informal				1 200	1 500	1 500	1 100	1 100	1 100	1 100	1 100
Total number of households			24 145	25 345	25 645	25 645	25 245	25 245	25 245	25 245	25 245
Dwellings provided by municipality	4										
Dwellings provided by province/s											
Dwellings provided by private sector	5										
Total new housing dwellings			-	-	-	-	-	-	-	-	-
Economic	6										
Inflation/inflation outlook (CPIX)											
Interest rate - borrowing											
Interest rate - investment											
Remuneration increases											
Consumption growth (electricity)											
Consumption growth (water)											
Collection rates	7										
Property tax/service charges											
Rental of facilities & equipment											
Interest - external investments											
Interest - debtors											
Revenue from agency services											

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue Framework	
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15
		Household service targets (000)								
		Water:								
		Piped water inside dwelling								
		Piped water inside yard (but not in dwelling)								

KZN252 Newcastle Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	156 203	124 830	183 851	516 788	791 617	791 617	791 617	289 116	6 879	(103 160)
Cash + investments at the yr end less applications - R'000	18(1)b	2	457 058	453 941	501 355	901 988	871 963	871 963	871 989	932 252	835 883	926 979
Cash year end/monthly employee/supplier payments	18(1)b	3	3.2	1.7	2.9	6.2	9.4	9.4	9.4	3.3	0.1	(1.0)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	354 074	(155 767)	290 247	(85 992)	(39 677)	(39 677)	(39 677)	(89 110)	(75 192)	(65 273)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	17.8%	4.6%	(0.0%)	(6.0%)	(6.0%)	(6.0%)	6.2%	1.0%	1.2%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	94.9%	78.6%	69.3%	82.2%	77.9%	77.9%	77.9%	81.7%	82.2%	82.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	10.6%	21.8%	0.0%	8.8%	8.8%	8.8%	8.8%	8.5%	8.5%	8.5%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.1%	94.5%	95.5%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	6.7%	(42.9%)	75.4%	58.5%	53.7%	53.7%	53.7%	59.2%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								4561.5%	4255.8%	5177.9%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(0.8%)	97.1%	77.4%	0.0%	0.0%	0.0%	28.3%	23.6%	20.5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	5.0%	6.1%	6.6%	6.6%	6.6%	6.7%	5.2%	4.3%	4.1%
Asset renewal % of capital budget	20(1)(vi)	14	1446.1%	952.4%	118.2%	86.8%	94.5%	94.5%	0.0%	77.7%	94.5%	96.4%

References

1. Positive cash balances indicative of minimum compliance - subject to 2

2. Deduct cash and investment applications (defined) from cash balances

3. Indicative of sufficient liquidity to meet average monthly operating payments

4. Indicative of funded operational requirements

5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

6. Realistic average cash collection forecasts as % of annual billed revenue

7. Realistic average increase in debt impairment (doubtful debt) provision

8. Indicative of planned capital expenditure level & cash payment timing

9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing

10. Substantiation of National/Province allocations included in budget

11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection

14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

KZN252 Newcastle - Supporting Table SA11 Property rates summary

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Valuation:	1									
Date of valuation:		02/07/2008	02/07/2008							
Financial year valuation used		**2009/10**	**2010/11**							
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes							
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes							
Municipal partnership s38 used? (Y/N)		No	No							
No. of assistant valuers (FTE)	3	3	1							
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3	None	None							
No. of external valuers (FTE)	3	1	1							
No. of additional valuers (FTE)	4	None	None							
Valuation appeal board established? (Y/N)		Yes	Yes							
Implementation time of new valuation roll (mths)		1 July 2009 to 30 June 2013								
No. of properties	5	57 833	55 945		58 333					
No. of sectional title values	5	785 799 705			2537 units					
No. of *unreasonably difficult* properties s7(2)										
No. of supplementary valuations		4 Sup Rolls	2 Sup Rolls							
No. of valuation roll amendments		4 456	519							
No. of objections by rate payers		2726 (GV + 4 S	18							
No. of appeals by rate payers		1- withdrawn	None							
No. of successful objections	8	2726 (GV + 4 S	18							
No. of successful objections > 10%	8	1 986	5							
Supplementary valuation										
Public service infrastructure value (Rm)	5	20m								
Municipality owned property value (Rm)		346m								
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5				15 221					
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5				15 221					
Rating:										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5				Yes					
Limit on annual rate increase (s20)? (Y/N)					Yes					
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R '000)	6				162915					
Rate revenue expected to collect (R'000)	6				162915					
Expected cash collection rate (%)					70.0%					
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)					(1 276)					
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,reductns,discs (R'000)		-	-	-	(1 276)	-	-	-	-	-

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand

2. To give effect to rates policy

3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff

4. Required to implement new system (FTE)

5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12

6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

7. Included in rate revenue budget

8. In favour of the rate-payer

KZN252 Newcastle - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2012/13																	
Valuation:																	
No. of properties		56 676	incl in Bus&C	1 094	792		2 370	501			8	4					
No. of sectional title property values		2 994	20	89													
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations		231		51	42			6									
Supplementary valuation (Rm)		165 355 000		366 155 000	34 876 500			2 342 000									
No. of valuation roll amendments		231		51	42			6									
No. of objections by rate-payers		5															
No. of appeals by rate-payers		None		None	None			None									
No. of appeals by rate-payers finalised		No Appeals		No appeals	No appeals			No appeals									
No. of successful objections	5	5															
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation **(select)**		4															
Frequency of valuation **(select)**		4															
Method of valuation used **(select)**		Points Based	Income Cap	Income Cap	Comp Sales	Dep Repl Cost	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other
Base of valuation **(select)**							Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)		No	No	No	No		No	No		No	No	No		No		No	No
Flat rate used? (Y/N)		No					No	No		No	No	No		No		No	No
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																
Total valuation reductions:																	
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
Rating:																	
Average rate	3																
Rate revenue budget (R '000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates,exemptns,reductns,discs (R'000)																	

References

1. Land & Assistance Act, Restitution of Land Rights, Communual Property Associations

2. Include value of additional reductions is 'free' value greater than MPRA minimum.

3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum

4. Include arrears collections

5. In favour of the rate-payer

6. Provide relevant information for historical comparisons.

KZN252 Newcastle - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
							Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Property rates *(rate in the Rand)*	1								
Residential properties			0	0	0	0			
Residential properties - vacant land			0	0	0	0			
Formal/informal settlements			-	-	-				
Small holdings									
Farm properties - used			0	0	0	0			
Farm properties - not used			-	-	-				
Industrial properties			0	0	0	0			
Business and commercial properties			0	0	0	0			
Communal land - residential			0	0	0	0			
Communal land - small holdings			0	0	0	0			
Communal land - farm property			0	0	0	0			
Communal land - business and commercial			0	0	0	0			
Communal land - other			0	0	0	0			
State-owned properties			0	0	0	0			
Municipal properties			0	0	0	0			
Public service infrastructure			0	0	0	0			
Privately owned towns serviced by the owner			-	-	-	-			
State trust land			-	-	-	-			
Restitution and redistribution properties			-	-	-	-			
Protected areas			-	-	-	-			
National monuments properties			-	-	-	-			
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption			1	1	1	1			
Pensioners/social grants rebate or exemption			0	0	0	0			
Temporary relief rebate or exemption			-	-	-	-			
Bona fide farmers rebate or exemption			-	-	-	-			
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			26	27	29	31			
Service point - vacant land *(Rands/month)*			128	136	146	156			
Water usage - flat rate tariff *(c/kl)*									
Water usage - life line tariff		BLOCK TARIFF							
Water usage - Block 1 (c/kl)		.026KL	6	6	7	7			
Water usage - Block 2 (c/kl)		7-20KL	6	6	7	7			
Water usage - Block 3 (c/kl)		21-40KL	6	7	7	8			
Water usage - Block 4 (c/kl)		41-60KL	7	7	7	8			
Other	2	>60KL	7	7	8	9			
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			123	131	140	150			
Service point - vacant land *(Rands/month)*									
Waste water - flat rate tariff *(c/kl)*									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							

Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			99	114	121	134			
Service point - vacant land *(Rands/month)*			87	100	110	122			
FBE		(how is this targeted?)							
Life-line tariff - meter		*(describe structure)*							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter *(c/kwh)*			1	1					
Flat rate tariff - prepaid*(c/kwh)*			1	1	1	1			
Meter - IBT Block 1 (c/kwh)		0-50KWH			1	1			
Meter - IBT Block 2 (c/kwh)		51-300KWH			1	1			
Meter - IBT Block 3 (c/kwh)		301-600KWH			1	1			
Meter - IBT Block 4 (c/kwh)		>300KWH			1	1			
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge		N/a							
Basic charge/fixed fee		N/a	66	76	82	87			
80l bin - once a week									
250l bin - once a week		N/a							

References

1. If properties are not rated or zero rated this must be indicated as such

2.Please provide detailed descriptions on Sheet SA13b